

By Mr. WURZBACH: A bill (H. R. 12512) granting an increase of pension to Clara E. Cheesman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12513) granting an increase of pension to Helen C. Blumer; to the Committee on Pensions.

By Mr. WEAVER: A bill (H. R. 12514) granting a pension to Robert Garrett; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6245. By Mr. CULLEN: Petition of Thomas B. Healey, business manager of the Marine Engineers' Beneficial Association No. 33, New York City, favoring retirement and longevity pay for engineers in United States Army Mine Planter Service just the same as is now provided for officers of the Army; to the Committee on Military Affairs.

6246. By Mr. FRENCH: Petition of St. Anthony Kiwanis Club, of St. Anthony, Idaho, condemning the lawlessness in Herrin, Ill., on June 22, 1922, and expressing the condemnation of the members of the Kiwanis Club on account of the crimes committed; to the Committee on the Judiciary.

6247. By Mr. FULLER: Petition of the Rockford (Ill.) Milling Machine Co. favoring adequate protective duties on machine tools; to the Committee on Ways and Means.

6248. By Mr. KISSEL: Petition of Mr. William Kaspar, Brooklyn, N. Y., favoring the 40 per cent tariff on wire cloth; to the Committee on Ways and Means.

6249. Also, petition of Association of Missouri Banks and Trust Companies opposed to branch banking, St. Louis, Mo.; to the Committee on Banking and Currency.

SENATE.

WEDNESDAY, August 30, 1922.

(Legislative day of Friday, August 25, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	Myers	Simmons
Ball	Gerry	Nelson	Smith
Borah	Gooding	New	Smoot
Brandegee	Hale	Newberry	Stanfield
Broussard	Heflin	Nicholson	Sterling
Bursum	Jones, Wash.	Oddie	Sutherland
Cameron	Kellogg	Pepper	Trammell
Capper	Kendrick	Phipps	Underwood
Colt	Keyes	Pittman	Wadsworth
Culberson	La Follette	Ransdell	Walsh, Mass.
Cummins	Lenroot	Rawson	Walsh, Mont.
Curtis	Lodge	Reed, Mo.	Warren
Dial	McCumber	Reed, Pa.	Watson, Ga.
Dillingham	McKellar	Robinson	Watson, Ind.
Edge	McLean	Sheppard	Williams
Fletcher	McNary	Shortridge	Willis

The PRESIDENT pro tempore. Sixty-four Senators having answered to their names, there is a quorum present.

SENATOR FROM MICHIGAN—CORRECTION.

Mr. WALSH of Montana. Mr. President, on August 24, in the course of some discussion of the Newberry case precipitated by the presentation for incorporation in the record by the Senator from New Jersey [Mr. EDGE] of the letter of Secretary Hughes on that subject, I read into the record what purported to be an interview with Judge William S. Kenyon upon the Hughes letter. I was in error in attributing the remarks thus made to Judge Kenyon.

For the sake of truthfulness of the record and accuracy, I now announce that I was in error in supposing that the sentiments were expressed by Judge Kenyon, who gave no interview on the subject. It is unnecessary to state how I came to fall into the error, but the remarks were wrongfully attributed to him. However, I am perfectly certain that if Judge Kenyon were still a Member of this body he would have expressed views quite like those which were attributed to him in the article from which I quoted.

RELEASE OF POLITICAL PRISONERS.

The PRESIDENT pro tempore laid before the Senate a resolution of the Federated Textile Unions of America adopted at its recent convention in New York, N. Y., favoring the release of all political prisoners in the country, which was referred to the Committee on the Judiciary.

REPORT OF THE COMMITTEE ON CLAIMS.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (H. R. 9866) authorizing the Pan American Petroleum & Transport Co. to sue the United States to recover damages resulting from collision, reported it without amendment and submitted a report (No. 896) thereon.

BILL INTRODUCED.

Mr. FRELINGHUYSEN introduced a bill (S. 3968) to improve the navigability of waters of the United States by preventing oil pollution thereof, which was read twice by its title and referred to the Committee on Commerce.

COMPENSATION OF WORLD WAR VETERANS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes.

The PRESIDENT pro tempore. The question is upon the amendment in the nature of a substitute offered by the Senator from New Mexico [Mr. BURSUM].

Mr. LENROOT. Mr. President, I offer an amendment to the bill, which I send to the desk.

The PRESIDENT pro tempore. The Senator from Wisconsin offers an amendment, which will be read by the Secretary.

The READING CLERK. On page 9, strike out lines 17 to 24, inclusive, and insert in lieu thereof:

SEC. 305. Immediately upon the passage of this act the Secretary of War and the Secretary of the Navy shall ascertain the individuals who are veterans as defined in section 2 and, as to each veteran, the number of days of overseas service and of home service, as defined in section 2, for which he is entitled to receive adjusted-service credit, and their findings shall not be subject to review by the General Accounting Office, and payments made by disbursing officers of the War and Navy Departments, made in accordance with such findings, shall be passed to their credit.

Mr. LENROOT. The only change made is in the last clause of the paragraph—

And payments made by disbursing officers of the War and Navy Departments, made in accordance with such findings, shall be passed to their credit.

I have offered the amendment because of a letter from the finance officers of the War Department. It relates only to administration, the saving of red tape, and also the saving of some money in administration. I have talked with the chairman of the committee and I think he is willing to let it go to conference.

Mr. McCUMBER. I am perfectly willing to let it go to conference, that we may study it there to better advantage than we can here.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. LENROOT. I now offer another amendment which I send to the desk.

The PRESIDENT pro tempore. The Senator from Wisconsin offers a further amendment which the Secretary will read.

The READING CLERK. On page 11, strike out lines 8 to 11, inclusive, and insert in lieu thereof:

SEC. 402. Payment shall be made by the Secretary of War or the Secretary of the Navy according as to whether the veteran's service for which he is entitled to receive adjusted service pay was with the military forces or with the naval forces: *Provided*, That if such service of the veteran was in both forces he shall be paid by the Secretary of War or the Secretary of the Navy according to the force in which he first served during the compensable service.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment offered by the Senator from Wisconsin [Mr. LENROOT].

Mr. SIMMONS. What is the character of the amendment which has just been proposed, Mr. President?

Mr. LENROOT. I will explain that it is another amendment suggested by the finance office of the War Department and relating only to administration. As the bill now reads, if a veteran entitled to compensation happens now to be serving in the Navy, under the bill that compensation must be paid by the Navy Department, although he had no service in the Navy during the war. Under the amendment the compensation will be made by the department in which the service during the war was rendered, and if service during the war was rendered in both departments the compensation shall

be paid by the department where the service first occurred. The object of the amendment is simply to save money and unnecessary work in the administration of the law.

Mr. ROBINSON. I understand the amendment is earnestly recommended by the finance officers of the War Department.

Mr. LENROOT. The only purpose of the amendment is to simplify the administration.

Mr. SIMMONS. I have no objection to the amendment.

The amendment was agreed to.

The PRESIDENT pro tempore. The question is now on agreeing to the amendment proposed by the Senator from New Mexico [Mr. BURSUM].

Mr. UNDERWOOD. I ask for the yeas and nays on the amendment.

Mr. BURSUM. Mr. President, the Senator from North Carolina [Mr. SIMMONS] is preparing an amendment to the amendment.

Mr. UNDERWOOD. I merely wish to have the yeas and nays ordered on the so-called Bursum amendment.

Mr. BURSUM. Before the yeas and nays shall be ordered I desire to say a word.

Mr. UNDERWOOD. I did not intend to cut the Senator off. There was nothing being done, and I merely did not want the vote to come without the yeas and nays.

Mr. BURSUM. The Senator from North Carolina desires to suggest a substitute for a section of my amendment, and he is now preparing it.

Mr. SIMMONS. Mr. President, I desire to offer an amendment to the substitute proposed by the Senator from New Mexico to strike out section 805 of the substitute amendment and to insert the amendment which I offered on yesterday, but of which I have not now before me a copy.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from North Carolina, which, as the Chair understands, is to the amendment proposed by the Senator from New Mexico in the nature of a substitute.

Mr. SIMMONS. In applying to the pending amendment the amendment which I offered, and which was adopted, on yesterday to the bill I wish to change it by striking out, in line 23, the words "of Titles IV and V." Those words are not appropriate to the pending amendment. With that modification, I now offer my amendment to the amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment proposed by the Senator from North Carolina to the amendment of the Senator from New Mexico.

The READING CLERK. The Senator from North Carolina [Mr. SIMMONS] proposes, on pages 20 and 21 of the amendment in the nature of a substitute offered by the Senator from New Mexico [Mr. BURSUM], to strike out section 805, as follows:

SEC. 805. That whenever it is deemed to be for the best interests of the United States, the Secretary of the Treasury, with the approval of the President, is authorized to sell any bonds or other obligations of any foreign Government refunded or converted by the World War Foreign Debt Commission under authority of the act entitled "An act to create a commission authorized under certain conditions to refund or convert obligations of foreign Governments held by the United States of America, and for other purposes," approved February 9, 1922, upon such terms and conditions as such Secretary may prescribe, and to apply the proceeds of such sales and any payments received on account of the principal of such bonds and other obligations to defray any expenditures incurred under the provisions of this act.

And in lieu thereof to insert:

SEC. 805. There is hereby appropriated such amount as may be necessary to carry out the provisions of this act, to be paid out of and to be a first charge upon the interest received by the United States on obligations of foreign Governments. If at any time the amount of such interest is not sufficient to meet the appropriation hereby made the same shall be paid out of any money in the Treasury not otherwise appropriated.

Mr. BURSUM. Mr. President, I desire that my proposed amendment be modified in accordance with the suggestion of the Senator from North Carolina.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

Mr. ROBINSON. May I suggest that the Senator from New Mexico has a right to modify his proposal, and that he accepts the suggestion of the Senator from North Carolina?

The PRESIDENT pro tempore. The Senator from New Mexico has the right to so modify his amendment.

Mr. ROBINSON. And he has indicated that he desires to do so.

The PRESIDENT pro tempore. The Chair understands that the Senator from New Mexico desires to modify his amendment.

Mr. BURSUM. Mr. President, I desire to modify my substitute in accordance with the suggestion which has been made by the Senator from North Carolina. As stated by the Secretary, the amendment as modified will provide that the conditions of financing shall be the same as provided in the amendment which was adopted on yesterday by the Senate as a part of the committee bill.

Mr. President, I desire to say a few words in regard to my proposed substitute. It is not my purpose to embarrass or to complicate the pending bill, but the substitute has been offered with a view of making a businesslike settlement of this obligation, a settlement on such a basis as a business man would ordinarily adopt in liquidating a debt. It does not curtail the allowance to the soldier of \$1 per day for service at home and \$1.25 for service overseas, but there is merely a difference in the method of financing.

The substitute provides for the payment within a year, or as soon as may be practicable after the passage of the proposed act, of 50 per cent of the allowance for the service of the ex-service man and of the other 50 per cent within five years thereafter. The deferred payment carries with it interest at the rate of 3½ per cent.

My objection to the plan provided by the committee bill as reported is based on the method of financing, in that it uses directly the credit of the ex-service man and indirectly the credit of the Government, and yet proposes to pay for that privilege a high rate of interest, which, under the authority provided for in the bill, may amount to approximately 7½ per cent. The bill as reported by the committee provides that an amount equal to 50 per cent of the adjusted compensation may be borrowed from the banks of the country and the certificates be pledged as collateral. In other words, such certificates are negotiable under those conditions, and interest may be charged to the extent of not exceeding 2 per cent plus the rate of the Federal reserve bank in the district wherein the loan shall be made.

That means that when the Government of the United States issues its obligations, to be repaid in three years or in 1926, those obligations may bear interest at a rate as high as 7½ per cent. That is exactly what it means.

My objection to the plan proposed by the committee is that it offers an opportunity to profiteers not only to profit at the expense of the Government but to profit at the expense of the veterans. For instance, 50 per cent of the outstanding certificates on the basis of adjusted compensation would amount approximately to \$700,000,000. Therefore, \$700,000,000 may be borrowed at rates as high as 7½ per cent, although the Government is behind the obligations and the Government pledges in the law that the money will be paid out of the Treasury at the time of maturity. So the bill as reported means the issuance by the Government of certificates of indebtedness to be repaid at an interest rate of 7½ per cent while it is notoriously known that the Government has a credit basis of 3½ per cent at the present time. Seven and a half per cent might have been a fair rate for the bonds of France at the end of the war, and the bonds of France were sold on a basis of 7½ per cent in this country.

Under the circumstances to which I have referred the result will be that associations will be formed to take up these loans on the basis of 7½ per cent, and such associations will make the difference between the 3½ per cent and 7½ per cent annually, representing a profit of 4 per cent. On \$700,000,000 such a profit will amount to \$28,000,000 a year and for three years will aggregate \$84,000,000. Three per cent of that amount will come out of the pockets of the veteran, and will approximate, in round numbers, \$63,000,000, while \$21,000,000 will come out of the Treasury of the Government.

I submit, Mr. President, that it is childish to formulate that sort of a policy and say that we have not issued outstanding obligations. It reminds me of the ostrich undertaking to hide from view by burying his head in the sand. We say we issue no certificates, but, as a matter of fact, we do issue certificates. The proposed law on its face pledges the Treasury to pay these loans in three years, namely, 1926, at extortionate rates of interest, and thereby puts a premium upon profiteering, and most of the money will come out of the veteran. He will not be benefited by it. On the other hand, there is a great difference between the committee bill and the substitute which I have offered in the matter of the carrying charges of the obligations incurred. My amendment, as I have said, provides for the payment of one-half cash, the payment of the other half at the end of five years; but if both items were carried for 20 years the charges under the proposed substitute would be \$45,000,000 a year, while under the committee bill as reported the annual charge would be \$90,000,000 a year; and upon the premise that we borrowed the money and did not pay it for 20 years, the difference between the total final cost of the bill as reported and the amendment offered by me would be the difference, approximately, between \$2,400,000,000 and \$4,000,000,000.

So under the substitute proposal we will not only promptly pay the veteran the money which we are providing for him but we will save the Government in the transaction nearly a billion and a half dollars. That is the difference between the

bill as reported and the amendment offered by me. If we are going to pay this money, if it is a debt which we owe—and I say that it is a debt—I can not for the life of me see where the objection can come. The Government uses its own credit on the best terms obtainable, which we know now can be obtained on a basis of $3\frac{1}{2}$ per cent in the public money market.

I can not understand why we should issue a certificate of indebtedness—and that is what we are doing under the bill as reported by the committee; it is nothing more nor less than a certificate of indebtedness—which permits a rate of interest which may amount to $7\frac{1}{2}$ per cent. Such a plan will permit profiteering to the extent of \$84,000,000 above the market value of money at the present time, and \$61,000,000 of the \$84,000,000 will come out of the pocket of the veteran, for the reason that the Government pays the veteran $4\frac{1}{2}$ per cent and the veteran must pay $7\frac{1}{2}$ per cent annually for this three-year loan.

Why can we not act as would a business concern, as would a banking concern? If we owe the money, let us borrow it on our own credit, let us obtain it upon the best terms possible, and let us liquidate this indebtedness honorably and in keeping with the transactions of a great and powerful government.

This bill is called an adjusted compensation bill. I do not quarrel with the title, but I do not think that is a proper name. It ought to be called an adjusted accounting between the Government and the veterans. I recognize, and I think every man who has given thought to the subject recognizes, that the Government has withheld from the veterans sums of money which it was not rightfully or morally entitled to withhold, such as the insurance of \$7.50 a month which was deducted from the pay of every veteran, and such as the allotments to dependents, amounting to as much as \$15 a month. We granted a bonus of \$20 a month to the civil employees of the Government. There is no reason why we should not have accorded the same treatment to the veteran, to the soldier who was fighting for us. These sums in the aggregate will amount to more than the sum provided for in either of these bills. They are both alike, so far as that part of it is concerned—the dollar a day for home service and the dollar and a quarter a day for overseas service. It is true that some veterans may receive more under the bill than they would receive by an auditing, but others would receive less. The minimum sum, if the rightful claims were to be audited, would come to \$27 a month, and the maximum would come to \$47 a month; so that the bill is very nearly right. I think it will average a little under what is rightfully due the veteran.

Mr. SMITH. Mr. President, I am glad that the Senator has touched upon one point. I should like to get information from the committee as to why it is that in section 502, subdivision (b), the bill limits or defines the character of the banks where these papers may be discounted, and then states that the bank accepting the certificate and the note of the veteran shall have the right to charge 2 per cent in addition to the rate of rediscount obtaining in the district where the bank at which the paper is discounted is located. In other words, if the rate of rediscount at a regional bank in a given district is 5 per cent, then the bank is authorized to charge the veteran 7 per cent for the rediscount of his paper. If the rate of rediscount should advance—as it did advance upon the word and authority of the powers that be here in Washington that have charge of our banking system—to 6 per cent, then the bank would charge 8 per cent. The rate of rediscount varies in various districts. Therefore the veterans would pay various rates to obtain money from the banks upon a Government security.

Upon the face of it, that looks as though we were offering a bonus to the banks to carry for a certain length of time this Government obligation, and we will allow them to subtract it from the soldier himself. There is no division. The Government gets none of that. It is paying a rate of interest of $4\frac{1}{2}$ per cent, I believe; but the soldier, in rediscounting his paper, has to pay the ordinary commercial rate of interest in order to get an advance on the amount that we promised to pay him, and for a year he has to pay $7\frac{1}{2}$ to 8 per cent; and I suppose that when he hands in his note the discount will be immediately taken out, which, under the ordinary 8 per cent rate, would amount to 9 per cent, because he advances the discount when he gets the money.

Inasmuch as the banks are practically Government banks, under the control of Government officials, I do not understand why we can not stipulate that the rate of interest that the veteran shall pay for the money advanced shall be exactly equal to the rate of interest that the Government shall pay on the paper to him. I should like to have an explanation as to why the committee saw fit to take the Government's obligations and leave them to be hawked on the market simply as prime commercial paper, to the detriment of those that we are professing to try to serve.

Mr. McCUMBER. Mr. President, I will answer the Senator. There is nothing in the bill saying that the bank shall charge a certain rate of interest. All there is in the bill is the same provision that there would be in a usury law, that the bank shall not charge more than that, just as it may be an offense, perhaps, in the State of Kentucky to charge more than 6 per cent; it may be an offense in my State to charge more than 12 per cent. The party does not need to make the loan unless he sees fit. The bank may not want to make the loan at all, even at those rates; but we are saying to the bank: "You can not go beyond such a rate. If you go beyond such a rate, it will be equivalent to usury"; and it is simply a limitation. If we said nothing about it, the banks might charge 10 or 12 per cent; but we say: "You shall not go more than 2 per cent above the discount rates in the particular district."

Mr. BURSUM. Mr. President, will the Senator yield for a question?

Mr. McCUMBER. Yes. I suppose I am talking now in the time of the Senator from South Carolina. I am answering his question. I am not certain whether his time is up or not.

Mr. BURSUM. I was going to ask the Senator if he ever heard of banks charging less than the law limited them to. In usual commercial business, has the general experience been that banks charge less than they are allowed to by law?

Mr. McCUMBER. Why, yes, as a rule; but we all know—take it in my State—money is pretty scarce. I think the ordinary banks that you would go to would be inclined to charge very much more than 2 per cent above what is called the regular Federal reserve discount rate, and we want, at least, to prohibit them going above that.

Now, Mr. President, I want to speak for a moment upon the amendment offered by the Senator from New Mexico.

I confess that I can easily understand how an enemy of this compensation bill should eagerly vote for any kind of an amendment that would load it down, that would tend to kill it. I probably would do the same thing if I wanted to see it killed; but I can not understand how a professed friend of the bill would seek to put on it amendments which would endanger its life.

I wish Senators would stop for a moment, and not approach any kind of a new amendment with absolute recklessness in the discussion of this bill. It is well known that we have to guide the bill through somewhat delicate channels if we are to have it enacted into law.

We are trying to avoid just as many obstacles as we can. We are trying to put it in a position in which there will be no excuse for the Executive to disagree with the two Houses of Congress, and we ought not to attempt to load it down with a provision that would exaggerate the differences that have existed between the Executive and the Congress, as evidenced by the statements that have been made in the press, as evidenced by the discussion on the floor, as evidenced by the letter of the Secretary of the Treasury of a year ago, as evidenced by the special message of the President to the Senate when he asked that the bill be referred back to the committee. Those things ought to indicate to Senators that we have some difficulty in so shaping this legislation that at least it can meet all prior objections. What new ones may arise upon the horizon I know not.

The House has tried to make a bill that would meet the objections that were urged by the Executive from time to time. The Senate Committee on Finance was actuated by exactly the same desire. We have made amendments, some very important ones, to this bill. I shall not discuss their merits, or what effect they may have on the bill; but here suddenly comes in a substitute that is to throw into discard every amendment the Senate has made, and approach this subject from an entirely different standpoint, one which requires in the years 1923 and 1924 a sum to be paid many times greater than is required under the bill as it is now drawn. As we present the bill, there will not be an expense of more than \$78,000,000 for 1923, and not more than \$92,000,000, I think, for 1924, dropping down to some \$70,000,000, and then going down rapidly for the succeeding years. That ought not to interfere with any financial policy of this Government. As to the other proposal, while I think we could take care of it, I do think nevertheless that those who have grave fears of its effect might consider that it was loading on the Treasury too much of a burden for the next year or two. What I want is a bill that will pass, and then I want it signed.

I think this amendment, which throws aside entirely the labors of the House and of the Senate committee, and of the Senate as well up to this time, and makes a sudden change, is most detrimental to the interests of the bill.

THE PRESIDING OFFICER (Mr. Oddie in the chair). The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from New Mexico [Mr. BURSUM].

Mr. WALSH of Massachusetts. Mr. President, this amendment has a good deal of merit, and I would be glad to support it under ordinary circumstances. A few days ago I offered two amendments to this bill, one even more liberal in its terms than this amendment, providing for an immediate cash payment to the soldiers of the compensation found to be due them, and another amendment proposing an additional option, so that whatever adjusted compensation is found to be due should be applied to the payment of the premiums due on Government insurance, which is now under very difficult circumstances, being carried by nearly 500,000 veterans.

What has happened here since this debate began indicates that the first duty of those who really believe in this cause is to avoid having this bill subverted by loading it down with amendments which can not command the approval of the other branch of Congress or the financial officers of the administration.

Therefore I am not going to move those amendments. I am not going to vote for this amendment, although I think the committee bill is weak, is imperfect, although I think it could be greatly improved; but it is the best that can be passed by a majority vote of this body, and it at least removes all the objections that have been made to it by the Secretary of the Treasury and the Executive. Therefore I am going to do what I can to get action now, to prevent further delays, and to send this bill to the Executive; and if he vetoes it, not have him veto it because of any amendment which may have been added to it, but veto it on its merits. Neither am I going to give the Republican majority in Congress an excuse to kill this bill in conference by differences over new amendments.

This is the bill which has been approved by the House; this is the only bill which could receive a majority vote of the Republican members of the Senate Finance Committee and therefore receive a favorable report. If the bill is imperfect the majority party will be held responsible, and I intend to do nothing to give them an excuse to sidestep that responsibility.

This bill was drafted with the sole purpose and end in view of removing the financial objections raised by the Executive and the Secretary of the Treasury, and this bill, so far as I am able to interpret the language of the Senator from North Dakota, removes all objections of form upon the part of the Executive. To attach to it other amendments that materially change its form is to invite a veto. The chief objection made to the amendment of a bonus bill now has been the state of the Treasury. This bill levies no heavy burden on the Treasury now. To vote for an amendment that calls for an immediate cash payment will, in the light of what we know to be the attitude of the administration, surely furnish an excuse and reason for vetoing this bill on some other basis than its real merits.

Mr. GERRY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Rhode Island?

Mr. WALSH of Massachusetts. Certainly.

Mr. GERRY. Has the President stated that he would accept this bill as reported by the committee, if passed?

Mr. WALSH of Massachusetts. I do not understand that he has, but I do understand that he has said to the Senator from North Dakota, in substance, that in form this is satisfactory; and it meets the objection which the Secretary of the Treasury made, namely, that the condition of the Treasury did not warrant paying a substantial cash bonus at this time.

Mr. GERRY. It is my understanding that the President has not made any statement that he would sign this bill if it was submitted to him, but he stated that he would not sign any adjusted compensation bill unless there was included in the measure a means of raising the revenue.

Mr. WALSH of Massachusetts. Mr. President, I am relying upon the statement made by the Senator from North Dakota, which, in substance, is that of all the bills introduced this is the one which is most likely to receive Executive approval, and that it has been drafted and submitted to the Secretary of the Treasury and to the Executive to remove the objections made by them on financial grounds. The amendment I intended to offer was more liberal in its terms, and I would like to vote for it. But I am not going to give the Executive any excuse to veto this bill because there has been attached to it some provision which falls under his financial objection. There are some Senators here who are so antagonistic to this bill that they will vote for any amendment proposed that may lead to a tie-up here in Congress or prevent its final enactment. The result is that we may easily by offering amendments get a situation here where we have a measure made by the votes of the enemies of the bonus. I believe too much in the cause to be a party to bring about confusion.

Imperfect as this bill is, yet we are confronted with this situation: If we want to get rid of this issue, if we want to pass a bonus bill which will be likely to receive the sanction and approval of the Executive, we ought to take the one which has been drafted with the sole intent and purpose of removing the objections heretofore made by the Secretary of the Treasury and the Executive.

Therefore, Mr. President, I do not propose to offer perfecting amendments which will give any excuse to the Executive to veto this bill or to raise the question that we are not now financially in a position to pay this bonus, much as I believe that if there is a moral obligation to pay compensation to these soldiers it ought to be met now, it ought to be paid in cash, and that the Treasury of the United States is capable of meeting that obligation, and that it would be better for the country in the long run to meet the obligation now with a cash payment and close this just account.

But there is a still greater question here, the question of getting some legislation, of getting a bonus bill which will meet with Executive approval. Therefore, as a Democrat, I am going to support the bill which Republicans have drafted in large part, which Republicans in both branches of Congress have agreed to, and put the question up to the Executive solely and alone on the proposition whether he favors a bonus or not. I intend to do what I can to make the Executive take his stand in the open on this meritorious proposal to adjust the compensation of our ex-service men.

I hope the real friends of this measure are not blind to the fact that the enemies of this measure are ready to vote for any or all amendments that will bring about confusion of the issue and that will encourage a veto. There are two ways to defeat a bill; directly and indirectly loading a bill with amendments is a very helpful way to kill this bill. I therefore shall support the bill most likely to get enacted.

Mr. BURSUM. Mr. President—

The PRESIDENT pro tempore. The Chair desires to advise the Senator from New Mexico that under the unanimous-consent agreement he can not be permitted to speak again.

Mr. BURSUM. I do not think I used up my 20 minutes.

The PRESIDENT pro tempore. The unanimous-consent agreement provides that no Senator shall speak more than once on an amendment.

Mr. UNDERWOOD. Mr. President, I suggest the absence of a quorum, if we are about to approach a vote. If anyone desires to speak, I shall not make the point.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Gooding	Myers	Smith
Ball	Hale	Nelson	Smoot
Borah	Heflin	New	Stanfield
Brandeggee	Hitchcock	Newberry	Sterling
Bursum	Jones, Wash.	Nicholson	Swanson
Cameron	Kellogg	Oddie	Townsend
Capper	Kendrick	Pepper	Trammell
Coff	Keyes	Phillips	Underwood
Culberson	King	Pittman	Wadsworth
Cummins	La Follette	Pomerene	Walsh, Mass.
Curtis	Lenroot	Rawson	Warren
Dial	Lodge	Reed, Pa.	Watson, Ga.
Dillingham	McCormick	Robinson	Watson, Ind.
Edge	McCumber	Sheppard	Williams
Fletcher	McKellar	Shields	Willis
Gerry	McLean	Shortridge	
Glass	McNary	Simmons	

Mr. SIMMONS. I wish to announce that my colleague [Mr. OVERMAN] is absent on account of illness.

The PRESIDENT pro tempore. Sixty-six Senators having answered to their names, a quorum is present.

Mr. GERRY. Mr. President, I intend to support this so-called Bursum amendment because I believe that it is an improvement on the bill brought in by the committee. The amendment provides that the soldiers shall receive 50 per cent of their adjusted compensation in cash, and that will mean that many men who to-day are so much in need of aid, some of them in dire straits, will receive their adjusted compensation when it will do them the most good. It will also be a saving to the Treasury, as the total amount to be raised under it, as borne out by the statement of the experts, will be a billion and a half dollars less than under the committee bill.

In regard to the contention that there is more likelihood of the President vetoing this substitute than there is of his vetoing the committee bill, I can find nothing to justify that assumption. There has been no definite statement from the President that I have seen or heard that he will sign the bill

reported by the committee. I for one do not intend to take a responsibility which I feel I should bear and put it upon anybody else's shoulders.

I want to see that justice is done to the soldier; I want to see that proper legislation for relief, adequate relief, is passed for the men who made great sacrifices for us, many of whom with their families are suffering, some on account of the fact that the Government bureau for giving aid to the injured and the wounded and the sick has not functioned properly, and they are not receiving that necessary assistance; others because of the industrial conditions.

I would like to see the immediate relief go even further than that contained in the amendment of the Senator from New Mexico, but under these circumstances I intend to support that amendment because, as I said before, it is an improvement on the committee bill, it would be better for the soldier and better for the Treasury and for the country.

Mr. TRAMMELL. Mr. President, within the limited time we have had for consideration of the amendment proposed by the Senator from New Mexico I have not had an opportunity to give very careful consideration to its various provisions, but this I know, that his amendment is nothing more or less than an entirely new bill upon the subject. It is by misnomer called an amendment. It should be called a substitute for the bill offered by the committee.

Mr. SIMMONS. That is what it is called.

Mr. BURSUM. It was offered as a substitute.

Mr. TRAMMELL. Now it is confessed that it is a substitute bill. The Senate within the brief time it has had to consider the question, with a limitation of 20 minutes upon debate, is called upon to pass upon an entirely different bill from that proposed by the committee.

I have been intensely interested in doing justice to the American soldier who defended and fought for our country in its hour of peril. I have felt that the Nation owed to him a debt of gratitude that could not be paid in dollars and cents, but that it might in a feeble way be expressed by some substantial token at the hands of Congress and that we should no longer refuse to give expression to the Nation's gratitude to those who rallied to the colors when called to go forth and battle for our Republic.

The bill proposed by the committee, so far as my information goes, and certainly so far as the information is concerned which has reached me from my State, has the approval of the ex-service men. They have accepted it as satisfactory, or at least as the best they felt they could obtain.

Now, if we were to depart from that measure and adopt an entirely different provision, in all probability we would bring about the defeat of the proposal that the soldier shall receive relief at the present time. Of course that is purely a matter of conjecture and a matter of speculation, but certainly if the substitute is adopted it may not be concurred in by the House, and if it was then it would probably meet with the Executive veto. We would have departed from the wishes of the ex-service men, those of us who believe that they should have some adjusted compensation extended to them, and by so doing may defeat their cause. As for my part, I prefer to support the bill offered by the committee—the bill which has been thoroughly digested, thoroughly considered from the angle of compensation for the soldiers and also with a view to not imposing too great financial hardship and taxation burden upon the American people in consequence of the enactment of such legislation.

The substitute proposed by the Senator from New Mexico provides that one-half of the bonus shall be paid in cash immediately to those who make application for a cash payment. To meet this cash payment it is estimated, so I am informed, at least \$750,000,000 would be required. That is in contrast with a requirement of \$76,000,000 or \$78,000,000 to be provided during the first year under the bill reported by the committee. Where are we going to raise that difference in the requirement to meet the cash payment under the two measures? If somebody knows where it can be raised otherwise than by taxing the American people I would like to have him point out the source of deriving that revenue and those funds except by taxation of the American people.

Mr. BURSUM. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from New Mexico?

Mr. TRAMMELL. I will yield for a question.

Mr. BURSUM. I will ask the Senator what the difference is between borrowing \$750,000,000 upon the credit of the Government direct, and borrowing \$750,000,000 upon the credit of the Government indirectly through the banks, and if it is not true whatever moneys may be in the Treasury are the property of the people and it makes no difference whether we take

the money from the banks indirectly or whether we borrow the money directly by the Government?

Mr. TRAMMELL. The difference in the two proposals is that one provides for raising only about \$78,000,000 within the first year while the other provides for a payment which would amount to approximately \$750,000,000 in the first year. There is considerable difference between raising the smaller sum and raising the larger, whether we raise it directly or indirectly, whether we raise it upon Government security direct or whether we raise it by some circuitous route of providing the funds.

Mr. BURSUM. What about the \$700,000,000 which is to be paid by 1926, within three years, at a high rate of interest?

Mr. BORAH. Mr. President, will the Senator yield for a question?

Mr. TRAMMELL. I yield.

Mr. BORAH. Could we not raise the \$750,000,000 by collection of the foreign debt?

Mr. TRAMMELL. I would much prefer to have it provided in that way, and so far as I am concerned I think we ought to collect the foreign debt. Certainly there is enough to be derived from that source to meet the obligation that may be incurred under the pending measure.

Mr. BORAH. Why not collect \$750,000,000? We could collect it as easily as we could collect \$78,000,000.

Mr. TRAMMELL. I am discussing the substitute offered by the Senator from New Mexico.

Mr. BORAH. So am I.

Mr. TRAMMELL. It does not provide for collecting that debt.

Mr. BORAH. But there was an amendment offered by the Senator from North Carolina [Mr. SIMMONS] yesterday, which was practically unanimously agreed to by the Senate, under which there would be no trouble at all about collecting it.

Mr. TRAMMELL. It does not provide that it has to be collected, but it says that if it is collected it shall be applied, and if it is not collected then the obligation shall be paid from other funds in the Treasury not otherwise appropriated. That is the provision.

As a friend of the soldier, desiring to support legislation which has his approval and which is acceptable to him, I can not drift away and support a substitute for the bill which may jeopardize the soldier receiving any recognition at the hands of the Government. Certainly, in my opinion, the substitute is more likely to jeopardize his interests than the enactment of the measure proposed by the committee. For the reasons thus briefly outlined by me, I hope the substitute will be defeated, and that the bill as reported by the committee will receive the approval of the Senate.

Mr. WILLIAMS. Mr. President, the old, eternal warfare betwixt tweedledee and tweedledum is going on and of course will continue to go on as long as the human race lives and as long as human beings have to do something which they more or less desire to cover up. The original bill and the substitute remind me a great deal of that old and eternal warfare. Each man, whether with the amendment or with the bill, is attempting to repeat one of the most comical scenes in one of the best old English novels.

Dr. Warren wrote "Ten Thousand a Year." When Tittlebat Titmouse became a candidate for Parliament, his candidacy was carried on by a very distinguished lawyer by the name of Oily Gammon, who was of the great firm of Quirk, Gammon and Snap, who were the original inventors of the lawyers' phrase, "Admit nothing, waive nothing, deny everything."

When the time came to run Tittlebat Titmouse, who up to that time had never had any virtues of any description, but who later, when he was elected to Parliament, was found to be able to imitate the crow of a cock so perfectly as to represent a rallying cry of his own party very much in the House of Commons, Oily Gammon announced Tittlebat's election platform, and his platform was to pass a bill "to give everybody everything without taking anything from anybody."

That is about what you are all up to. You are trying to pass a bill giving not everybody everything but some three or four million people a whole lot of things and you are pretending that it will not cost anybody much of anything. The substitute, so far as I can see, is the more plausible pretense of that character than the original bill, and therefore I am going to vote for the substitute. It does at least recognize that the payment has to be made ultimately by bonds or taxes or in some other way. The bill does not recognize that it has to be paid in any way in the world. You are attempting to convince the soldier that he will get somewhere between three and five billion dollars and attempting to convince the American people that they will never have to pay any taxes to enable the soldier to get it.

It is a bill "to give nearly everybody nearly everything and to take almost nothing from anybody." That is the bill and that is all there is to it. It is all pretense. Why do you not come out openly and obey what the President said is right and sound? Put upon the bill the taxes that shall raise the amount of money that you are voting. You know that sooner or later, directly or indirectly, the American taxpayer must pay it. Why not, then, have the courage to put it in the bill? I know your answer, "But we are afraid to put it in the bill." That is your honest answer if you make any at all. "We are afraid to put it in the bill. It would render the bill so obnoxious that it would not pass or it would render the bill so obnoxious that those who vote for it never would come back to this sacred body." You are afraid to put the tax or the bonds in the bill. You hope to have it hanging over as a responsibility to be met by legerdemain of some description in the future. The Senator from North Carolina [Mr. SIMMONS] hopes that it will be paid by Serbia and Belgium and Italy and France and Great Britain.

So far as I can learn, only one of those powers is ever going to pay its debt, and that is Great Britain; she will pay hers. Italy is about bankrupt; Serbia has for many years not been anything else; Czechoslovakia has a little bit of money, but not enough to pay up and avoid revolution. The civilized world ought to cooperate to help Belgium, instead of cooperating to make Belgium pay for having been ruthlessly and unprovokedly invaded by the German armies.

Senators may say that is sentiment and that sentiment is "rot." I believe a Senator yesterday made a long speech, the sum and substance of which was that sentiment was rot. Sentiment is the only thing in the world that is not rot. The boldest, bravest, and strongest man that ever lived, after a few years, becomes dust and rot; the most beautiful woman that ever rivaled in charms the Venus or the Diana becomes rot after a little while; the most innocent child, with the clearest blue eyes, becomes rot; but a principle, an idea, a sentiment, never becomes rot. It is the only thing that never does.

The very first principle of statesmanship and the first great sentiment is to have the *courage* to do what you are going to do *openly*. If you are going to pass a bill which will result in levying upon the American people to the third and fourth generations of those who now live an immense amount of money, then come out and have the courage to do it; but between the pretenses and evasions the particular pretense and evasion offered by the Senator from New Mexico [Mr. BURNUM] is the more plausible and the more praiseworthy of the two. It comes nearer being honest and nearer being courageous.

Mr. HITCHCOCK. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. WILLIAMS. I yield.

Mr. HITCHCOCK. How would the Senator from Mississippi get around the provision of the Constitution which requires all revenue legislation to originate in the House of Representatives?

Mr. WILLIAMS. Mr. President, that question had been debated a great deal in Great Britain before it arose here, and it has been debated here. I once made a speech upon the floor of this body contending that the right construction of that provision would include all appropriation bills as well as revenue bills, because originally in the House of Commons revenue bills not only pertained to the raising of money by taxation but also the spending of money by act of Parliament; but I do not wish to go again into all that. I have in the CONGRESSIONAL RECORD about 8 or 9 pages upon that subject, but Congress did not quite agree with me about it. I agreed with the House of Representatives that not only all bills imposing taxes but that all bills making appropriations out of the Treasury are revenue bills and should originate in the House of Representatives; but my opinion upon that subject is somewhat peculiar and a little lonesome. In this debate I am assuming that the parliamentary record of what in my private opinion is wrong has been historically recognized as right.

Mr. HITCHCOCK. This is not a matter of appropriation. The question is, should we put on this bill a provision for raising revenue to meet its provisions? How are we going to get over the constitutional provision that the Senate has no power to originate such legislation?

Mr. WILLIAMS. I shall not enter into that. The House of Representatives has sent this bill over here and there is not a Senator here who does not know that it necessitates taxation. Necessitating taxation, and the Senate having the power to amend a bill which necessitates taxation, it can do it by providing new methods of taxation or new methods of payment not involving immediate taxation, and that has been the uniform course of American parliamentary history.

However, Mr. President, how is the money to be raised that will pay for the Liberty bonds and the Victory bonds? By taxation, is it not? How can we avoid that taxation by simply providing that a certain amount of money collected from our foreign debtors shall be appropriated out of the Treasury to a certain purpose? We do not avoid it; we merely deflect it. We must finally make the taxation apply to the taxpayer. The House of Representatives avoided its duty because it did not have the courage to face it. It said that it would not provide any method whatever of paying this money, although it was going to appropriate it out of such sums in the Treasury as were "not otherwise appropriated."

However, all the sums in the Treasury are appropriated for the next year and there will be a deficit, I believe, of several hundred million dollars. That is the courage that is exhibited by the House side and by this side. The Constitution says that the House shall originate revenue measures, but it also says that the Senate shall have the power to amend them. This is a revenue measure absolutely and necessarily, and no honest man can deny that there must be taxes levied, collected, and paid in order to meet its obligations.

Mr. ROBINSON. Will the Senator yield to a question?

Mr. WILLIAMS. Yes.

Mr. ROBINSON. The Senator from Mississippi has just stated that this is a revenue measure because it makes necessary the imposition of taxes in order to meet the obligations which it creates. Is that the Senator's definition of a bill raising revenue? Another question: Does the Senator not know that the Congress is in the habit of passing appropriation bills without providing the revenue in those bills with which to meet the obligations created?

Mr. WILLIAMS. Oh, Congress has several bad habits. The Senator has just pointed out one. Yes; whenever there is money in the Treasury that course is excusable, but when we have not, which we now have not and which the Senator knows we have not, we ought to take a straighter course.

Mr. ROBINSON. May I ask the Senator why he insists upon applying to this particular bill the principle of requiring—

Mr. WILLIAMS. I am not applying the principle to the particular bill; I am applying it to this particular situation which I have mentioned. We have not the money in the Treasury, and the Senator knows we have not got it.

Mr. ROBINSON. Very well; but we are also making appropriations for hundreds of other subjects, though we have not the money in the Treasury to meet them. We have authorized by amendment to this bill the appropriation of \$350,000,000 for reclamation purposes, and yet we have not the money in the Treasury to meet that obligation. We are also authorizing appropriations for divers other subjects.

Mr. WILLIAMS. I know that.

Mr. ROBINSON. Why insist upon imposing in this particular bill a revenue provision—

Mr. WILLIAMS. I think I am talking under a time limit, and must, therefore, decline to yield further. I know what the Senator from Arkansas has stated, and I also know that three or four or five wrongs do not make a right, and that we ought not to be doing the very things against which the Senator enters his solemn complaint.

Now, however, our income-tax yield is running behind from forty to fifty million dollars a month—I believe that is the figure—and we are expected to come out at the end of the fiscal year with a deficit of from \$300,000,000 to \$400,000,000 in the payment of current expenses. Every man knows that not a dollar of the money proposed to be granted under the pending bill can be paid, provided all the other appropriations which were passed previously are paid, unless some taxation is levied upon the American people. To go back to what I said before, this is an attempt to make the soldier believe he is getting nearly everything and to make the taxpayer believe he is not paying anything. Other Senators know as well as I do that that is not true; that that is a false pretense; that every dollar that a soldier gets, if he gets it, somebody must pay. Other Senators know as well as I do that public money does not come down like manna from heaven to the children of Israel in the desert; they know as well as I do that the Government is not an independent financial entity; that it has no pocketbook at all, but that its so-called pocketbook is the pocketbook of all the people who pay the taxes.

If we are not going to do any better, we had better provide in this bill for the issuance of bonds. That would avoid the constitutional question, because Congress has a right to provide for the issuance of bonds under a bill originating either in the Senate or in the House, according to our uniform, though, in my opinion, mistaken practice. If we are not going to pay

the cost of this bill out of taxation, why not pay it out of bonds, and let the bill provide that the bonds shall be issued and floated at whatever the price they will float when bought by the people? The truth is, however, it is desired to avoid the appearance that it costs anything, but it is only the appearance that can be avoided; the thing itself can not be avoided.

Mr. POMERENE. Mr. President, I should like to ask the Senator from New Mexico [Mr. BURSUM] a question or two before making the observations which I intend to make with respect to the substitute amendment proposed by him. I did not hear the first part of the Senator's explanation of his amendment this morning, but as I understand it, if his proposed amendment shall be adopted the total obligation assumed by the Government in payment of adjusted compensation, and not including interest, would amount to about \$1,560,000,000. Am I right?

Mr. BURSUM. That is correct.

Mr. POMERENE. Under the Senator's plan it is proposed that one-half of that amount shall be paid in cash and that the Government's obligations shall be given for the other half. Am I right about that?

Mr. BURSUM. That is correct, except there is a provision that there shall be paid in full all those claims amounting to \$50 or less.

Mr. POMERENE. And the deferred payments are to earn 3½ per cent annual interest?

Mr. BURSUM. That is true.

Mr. POMERENE. I also understand that, assuming the Government would have to borrow the money with which to pay both the cash payment and to pay the bonds or certificates at the time of their maturity, the Senator estimates the interest thereon will amount to, in round numbers, about \$1,000,000,000, assuming that the money must be borrowed for a period of 20 years.

Mr. BURSUM. Nine hundred million dollars plus the interest on \$60,000,000, which would be about \$5,000,000 more, making a total of about \$905,000,000.

Mr. POMERENE. So that the Senator estimates that the total cost of his proposed substitute, including interest, will be \$2,465,000,000.

Mr. BURSUM. Yes; that is approximately correct.

Mr. POMERENE. I thank the Senator for that information. I notice by the report which has been presented by the committee that the total cost of the pending McCumber bill will be, in round numbers, about \$4,000,000,000. The estimated cost as set forth in the report is \$3,845,659,481. For the purpose of my remarks I am going to assume that the sum is about \$4,000,000,000, although from the investigation and study which I have given this subject I am inclined to think the total cost under the McCumber bill will be something over \$4,000,000,000. Now, the business proposition presents itself: Shall we so legislate here to-day on this subject as to incur an indebtedness of \$4,000,000,000, or shall we so legislate as to make that indebtedness \$2,465,000,000? What does business judgment suggest to the Senate of the United States? What is our duty to the taxpayer?

More than that, one of the reasons for passing this law at this time is the need of the veteran. Under the McCumber bill we pay in cash those found to have a service credit of \$50 or less. To the balance of them we give a certificate payable in 20 years. The veteran can not use his certificate except to go out and make a loan. If he can not get a loan, if the banks for some reason or other refuse to make the loan—and it is only banks that are authorized to make the loan, not individuals—when they make their loan they are entitled to charge 2 per cent in excess of the amount which they must pay when they go to the Federal reserve bank for a rediscount; and, as has been pointed out very clearly by the Senator from South Carolina [Mr. SMITH], the rate of interest which the veteran may have to pay in one bank district may be 5 per cent, in another it may be 6, in another it may be 7; and to me that is the most objectionable feature of the McCumber bill.

We say to the veterans: "Here is a piece of paper. Go and hawk it about the banks to see whether or not you can get a loan." What more do we do? We say to the veteran, "We owe you \$100. We are going to increase that 25 per cent; we are going to have it draw 4½ per cent compound interest to meet your present necessitous financial condition." Is it going to be any credit to the United States to have these countless certificates hawked about from one bank to another?

No, Mr. President; I can understand how there can be an honest difference of opinion as to whether or not we shall pass any legislation upon this subject at the present time; but having decided that we are going to do it, let us do it in some form which will comport with the dignity and honor of the

country. Let us as a Government, if necessary, raise these funds—and I am not going to discuss that question now—but let us raise the money and not ask the veteran to go out and raise it. I would as soon see every bank place up in front of its door the three balls with which some are familiar as to have the veterans go around in this kind of a way. We say we are doing this for the love of the veteran. If we are going to do something, let us do it in a manly way. By adopting the amendment presented here by the Senator from New Mexico [Mr. BURSUM] we are saving to the Government and to the taxpayers of the country approximately \$1,500,000,000.

Why, Senators, assume this was your personal obligation. How would you finance it? By issuing your notes and having the holders go around and hawk them about from bank to bank? I think not. I think you would devise some plan whereby you could go to some one bank or a combination of banks, present your obligations with your securities, and have them discounted.

If an individual debtor should scatter his small obligations about in this way, the commercial world would say he was in failing circumstances. Is the situation changed because the Government is the debtor?

Mr. President, I do not care at the present time to take up the general proposition. I may do that a little later, but as business men, as Senators who are supposed to have a regard for the Public Treasury as well as for the taxpayers and an abiding interest in the veterans themselves, let us give this recognition in a straightforward way. Let us get the money and have done with it.

Mr. HEFLIN. Mr. President, I feel very much as my friend the Senator from Florida [Mr. TRAMMELL] feels upon this subject. I am anxious to provide adjusted compensation for the soldiers. I am afraid that there is a disposition on the part of some of those who oppose adjusted compensation to load down this bill with so many amendments that it will be in such shape as would afford the President a good many excuses to veto it. We do not want that to happen.

The bill, in the main, as it came from the House is, I understand, acceptable to the ex-service men, and we have improved that bill by the amendment offered on yesterday by the Senator from North Carolina [Mr. SIMMONS].

That amendment provides for the collection and use of the interest on the debt due us by foreign countries for the purpose of paying this adjusted compensation to our soldiers. That interest amounts now to more than \$1,000,000,000. I called to the attention of the Senate yesterday the fact that France and England had paid to private interests in Wall Street \$1,700,000,000, and I submitted then and submit now that if France and England can pay debts in this country due to private persons they certainly can pay the interest upon the debts due to us. When France and England have used the money they have borrowed from us to square the debt with their soldiers, to pay them an adjusted compensation, they can not now complain if we demand interest upon that money sufficient to square the account with our own soldiers.

Mr. President, the news of the adoption of the amendment of the Senator from North Carolina [Mr. SIMMONS], if it was cabled to Europe last night, threw consternation into the camp of some of our American editors sojourning now in the Old World. For weeks and months a propaganda has been carried on to cancel this indebtedness to the American people. Wall Street interests are seeking to have it canceled. Certain American financiers will make hundreds of millions of dollars if they can have it canceled. Their pay as commissions upon this \$11,000,000,000 would amount to several hundred millions of dollars. If certain newspapers in this combine with Wall Street financiers can engineer this deal through and deprive these soldiers of adjusted compensation and have this debt canceled, as they hope to do, they will all make big money out of the deal. Some of them are not moved in any way by sympathy for the people of the countries that owe us. They are moved by what they are going to get in cold cash if they can get our Government to cancel this debt of billions.

The Washington Post this morning has a misleading article about this foreign debt—and I want to say that no Senator in this body ever heard before of the suggestion that it contains. The proposition has been to cancel this debt. Men high in authority in this land have been working to cancel this debt. Newspapers, prominent dailies, have advocated canceling this debt. The editors to whom I have referred time and time again are in Europe now, some of them, sojourning for a time, looking out for ways and means of shaping public opinion in the United States to get our people worked up to the point where they will forgive this debt, while 4,000,000 of American soldiers, who saved the liberty of the world, are mistreated, neglected, and seemingly forgotten.

Here is what this article says. It is a nice suggestion on the printed page of a big daily paper in Washington:

But the amendment to set aside interest on America's foreign obligations for the bonus involves other considerations which admittedly can not be overlooked. In the first place these funds have been counted upon to reduce America's national debt and liquidate Liberty bonds, Treasury certificates, etc.

That is the first suggestion we have had to that effect. This thing was being babied along to suit the cancellation group; but when the Senate yesterday, by a good vote, voted to collect the interest upon this foreign debt it sent consternation into the quarters of the money changers of the Republic. This morning they are sounding the alarm. They are going to try to have that provision taken out of this bill. Watch for that.

Here is an opportunity to pay this soldiers' adjusted compensation without taking a nickel out of the Treasury, without taxing the American people one five-cent piece, by demanding enough of this foreign debt to square the account with our soldiers.

Mr. TOWNSEND. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Michigan?

Mr. HEFLIN. I am glad to yield to the Senator.

Mr. TOWNSEND. I think the Senator will see, if he reads the article very carefully, that it probably does not make a misstatement in reference to the bonds. I think the second Liberty loan act provides that the proceeds of the sale of those bonds shall be used for the liquidation of the public debt. Where the Senator differs and where the Senate differs from the article in the paper is that that provision of the statute applies simply to the sale or disposition of the bonds. It does not apply to the disposition of the interest on the bonds, to which our amendment does apply.

But it is true, as they say there, that these bonds have already been cared for in the sense that when they are sold or paid the proceeds shall be applied upon the bonds which have been issued at that time.

Mr. HEFLIN. Mr. President, I now come back to my proposition that this debt is long past due. It is over \$10,000,000,000, and the interest has accumulated until it amounts to more than a billion dollars and none of it has been paid. The propaganda has been going on in this country to forgive this debt, to cancel this debt, to wipe it out. Men stand up in this body and talk about how hard it would be to raise a half billion dollars for our soldiers, men who are ready in secret council to vote to forgive this debt of \$10,000,000,000 and let it be wiped out entirely.

I call to mind again what I witnessed here when those boys were going off to battle, how these men who have since forgotten cheered and how they seemed to point with pride to those gallant soldiers of our country. I recall the time, to which I have referred once before, when on the firing line in France the question was a little in doubt for a time as to who would win the day. Some of our soldiers were there participating with the Allies, and we were hoping and praying in our hearts that the Allies could hold the line until our men could arrive. We were saying, "If they do hold it until our boys get there, our cause will be triumphant."

One day our boys arrived at the battle front in France. Then the casualty lists commenced to appear in the newspapers here at home. The Washington Post, a copy of which I hold in my hand, had columns filled with the names of the gallant boys, in the flower of their young manhood, killed in action the day before, carrying the spirit of America with our flag. Those casualty lists grew larger and larger as the days came and went, and as we read down the columns all of us saw the names of boys from our States who had fallen in the conflict serving our country. These purse-proud, hidebound profiteers were then saying, "We would be willing to give half we have if we could win this war and bring those boys home in safety." They had a little heart left then, some pride and patriotism, and were willing then to divide what they had. They said they would be willing to give half they had if they could just end the war in victory and bring the boys home. Those boys, God bless them, ended it in victory and came home—most of them—and what did they find? They found the Republicans in power in both branches of Congress.

What have you done for them? You have shut the door in their faces for four years; and they are still standing out yonder neglected and seemingly forgotten, asking simply that you grant to them adjusted compensation of \$1.25 a day—a human being, a brave young American out on the battle line, with death raining all around him, \$1.25 a day—and you are voicing here the profiteer's spirit, saying that you can not raise the money to pay these boys.

The foreign countries owe us \$10,000,000,000, and you do not want to collect it. They have a lot of friends around here who have not come out in the open yet, but who favor the cancellation of the debt. Here we are, with the amendment of the Senator from North Carolina adopted, and it provides for going after the interest on that debt. This morning when Wall Street woke up and found that we had started toward the collection of that debt they sounded the alarm to those of the inner council, where they have been planning for months to have the Government cancel that debt and maybe make a million dollars in commissions. This disturbed their well-laid plans to have the debt canceled, through which action they expected to make millions.

Yet Senators on the other side stand up here and talk about the valor of the soldier, and how much they love him; but they would not insult him by offering him adjusted compensation. The Master said, "I was hungry, and ye gave me to eat. I was naked, and ye clothed me," and "Inasmuch as ye did it unto one of the least of these, ye did it unto me." But these men think so much of these boys now they do not want to warm up their stomachs with a good warm meal, and they do not want to put good clothes on their backs, because they are afraid they will hurt their feelings and cheapen their patriotism.

Do you know what they remind me of, those who say, "I honor and love him," and shake his hand and put their arms around him as if to kiss him, and then vote to deny him adjusted compensation?

They remind me of Joab and Amasa. What happened to Amasa? He walked out in front of his men, and Joab approached him as a friend, with a cloak on, and with a sword hidden in the folds of his cloak, and as Amasa walked along regarding him as a friend, Joab walked up to him, took him by the beard, as if to kiss him, and said, "How is it with thee, my brother?" and then stabbed him under the fifth rib with his sword. We are having that treatment accorded to the American soldier by Senators, who say, "How is it with thee, my brave boy, honored soldier of my country?" They put their arms around him and say, "How is it with thee?" but stab him with the dagger of neglect, injustice, and ingratitude. That is what we are having, while some are scheming behind the curtains to forgive the debt in order to make millions and hundreds of millions in commissions.

My prayer is: God of the Republic, touch the moral consciousness of the men in this body and touch the hearts of the Members in the other branch, touch the spirit of the President, arouse the men and women of the Republic. God save our Republic from such international bartering, and God save our soldiers from such un-American, unjust, and cruel treatment.

Mr. NEW. Mr. President, there are occasions when I agree with the senior Senator from Mississippi [Mr. WILLIAMS], and one is afforded by what he said this morning with reference to the imposition of a direct tax for the payment of this so-called bonus. If the bill is to be passed at all, I think that is the only possible honest way to provide for it.

I would therefore vote for the imposition of a sales tax, as I have several times said, to provide the money with which to pay the bonus, if this bill is to be passed. I doubt very much whether such a provision would prevail; but I think it is the only honest way for the Senate and for Congress to approach this subject, to frankly and squarely impose a tax to be devoted to that specific and particular purpose.

Mr. McCUMBER and Mr. ROBINSON addressed the Chair. The PRESIDENT pro tempore. Does the Senator from Indiana yield; and if so, to whom?

Mr. NEW. I yield to the Senator from North Dakota.

Mr. ROBINSON. How does the Senator expect—

Mr. NEW. The Senator from North Dakota was addressing me.

Mr. ROBINSON. I understood the Senator to yield to me.

Mr. NEW. I will yield to the Senator in a moment.

Mr. McCUMBER. The Senator does not admit for a single moment that the Senate can originate a bill for revenue, does he?

Mr. NEW. No.

Mr. McCUMBER. Therefore it is not in our power even to put an amendment on the bill providing for a tax.

Mr. NEW. I am addressing myself to the subject generally. Now I yield to the Senator from Arkansas.

Mr. ROBINSON. The Senator from North Dakota has asked the question I intended to ask.

Mr. NEW. Mr. President, I shall also vote for the Bursum amendment, because I think it is a vast improvement over the McCumber bill, which is now before this body. I voted for the

McNary amendment, and I voted for it in good faith, because I believe that amendment provides an opportunity for the soldier to get something ultimately that will be worth his while, whereas the McCumber bill, in my judgment, gives him something that is entirely inadequate and in a way that does him no good whatever, now or later.

The Senator from Michigan [Mr. TOWNSEND] mentioned a moment ago the fact that the second Liberty loan act provides that the foreign debt when paid shall be devoted to the extinguishment of those bonds.

Mr. McKELLAR. Mr. President—

Mr. NEW. In a moment. Last night when the amendment of the Senator from North Carolina was presented for adoption, I think I was the only Member of this body who voted against it, and I voted against it partly because I thought I recalled such a provision in one of the Liberty loan acts. I thought I knew also that the present provisions for the sinking fund take into account the expectancy that a certain sum shall be received from interest on those bonds and devoted to that subject. Now I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I just want to call the Senator's attention to the provision about which he is talking. I have it before me. It is not in the second Liberty loan act, but in the first Liberty loan act, under which \$3,000,000 were loaned to our allies. It is found in section 3, and I am going to read it to the Senator, so that he and others who are interested in it may see the exact wording of this provision. It is as follows:

SEC. 3. That the Secretary of the Treasury, under such terms and conditions as he may prescribe, is hereby authorized to receive on or before maturity payment for any obligations of such foreign governments purchased on behalf of the United States, and to sell at not less than the purchase price any of such obligations and to apply the proceeds thereof and any payments made by foreign governments on account of their said obligations to the redemption or purchase at not more than par and accrued interest of any bonds of the United States issued under authority of this act; and if such bonds are not available for this purpose, the Secretary of the Treasury shall redeem or purchase any other outstanding interest-bearing obligations of the United States which may at such time be subject to call or which may be purchased at not more than par and accrued interest.

That provision does not occur in the subsequent acts under which the money was loaned. It applies in the first place, therefore, simply to the \$3,000,000,000 first loaned to our allies. The Senator can see also that it is a mere authority. It is not a direction to the Secretary of the Treasury. The Senator will also see that it does not appropriate the money. It does not place a trust around this money in any way whatsoever. It is a mere authority, and it can be applied not only to those obligations issued under the act but to any other interest-bearing obligation issued under the act, and for that reason I think certainly there is no trust surrounding even this \$3,000,000,000 loan.

Mr. NEW. Mr. President, I had not read the act last night, nor have I read it this morning, but my recollection of it has been refreshed, and I am still of the opinion that the obligation rests upon the Government to devote the money received from those foreign loans to the extinguishment of the Liberty bonds. Certain it is that those bonds were sold to the public upon the strength of the declaration made by the Government of the United States that the proceeds of the foreign loans, whatever they might amount to, would be devoted to that end.

Mr. LODGE. May I say that it is most certain that there was no such provision in that law, providing what we should do with the proceeds in any way. I helped to draw the bill, and I think I am right.

Mr. McKELLAR. Will the Senator repeat the statement? We could not hear it over here.

Mr. LODGE. I said there was nothing in the act which prevented our using the funds from those debts, when repaid, for any purpose we choose, as I recall the act. I do not have it before me at the moment.

Mr. McKELLAR. I think the Senator is entirely correct.

Mr. LODGE. I took part in drawing the act with the Senator from North Carolina, and there is no restriction. We could use the money from that debt, when repaid, for any purpose we choose.

Mr. McKELLAR. I think the Senator is correct.

Mr. NEW. However that may be, I am as certain as I am that I stand here, that the bonds were sold to the American public upon that guaranty by the Government of the United States.

Mr. SIMMONS. I think possibly the Senator from Indiana has been misled by some publication or some propaganda which has been going on. There is nothing in the law, as I recall it, that requires a specific use of the money.

Mr. EDGE. Mr. President—

Mr. NEW. I yield to the Senator from New Jersey.

Mr. EDGE. I was very much interested a moment ago in the Senator's reference to the wisdom of imposing a sales tax to provide money with which to pay the bonus. I assume, without any question of doubt in my own mind, that those Senators who are particularly strong for the passage of the bill want the soldiers to get the money. Is it not true, from all information we have, that the bonus bill can not become a law unless the method of producing the revenue is provided through the medium of the sales tax? Is there not every indication pointing to that as a fact, that unless the sales tax is actually adopted as the method of obtaining the revenue, it is at least questionable whether the bonus bill will ultimately become a law?

Mr. NEW. Does the Senator mean by that to ask me if I believe that the President would veto any bill that did not contain a provision of that kind?

Mr. EDGE. Certainly. There is every indication that we have seen in the public print to that effect. Personally, I take that viewpoint and gather that understanding.

Mr. NEW. I have no authority whatever to represent the President in any such matter. I know what he has publicly said in this Chamber. I know from his various utterances from time to time how his mind is running with reference to the matter, but I have not at any time or at any place assumed to state what he would or would not do. That is for him to say. But speaking for myself I repeat what I said in the first instance, that I think the only honest and fair way to approach the question at all is to do it by the imposition of a tax that is to be devoted to that specific purpose.

Mr. President, I think that a lot of the argument which has been going on here is all folly. It has been to the effect that diversion of the proceeds which we are to receive from the foreign loans is to be made to relieve the American public of the burden that would otherwise have to be imposed by a direct tax. Why, Mr. President, that is so simple and so manifestly absurd on the face of it that one ought not to dignify it by a reference. If we do not take the money received from the bonds and apply it to the payment of the public debt, of sheer necessity we must raise a like sum of money from other sources and by other means to be devoted to that particular thing. There is no getting around it. There is no way to pay a debt except by digging down and getting the money to pay it, not even, as was suggested here yesterday, by the giving of a note.

I think that the Senate yielded to an attack of emotional insanity in attempting to provide for the payment of the bonus by the diversion of money that is to be received from a public debt. Why, we have not that money. We have no guaranty that we shall ever get it. Senators talk about propaganda that has been indulged in looking to the forgiving of those debts. Yes, Mr. President, there has been propaganda. I have read what Mr. James M. Cox said the other day and what Mr. William Jennings Bryan has said and what various other people in both political parties have from time to time said on that subject, but I have looked in vain for anything that has ever been said by any responsible officer of this administration which indicated a purpose on the part of the administration to forgive the debts that are owing to us by our former allies. I think they are regarded as just obligations and that it is the purpose to collect them. Furthermore, Mr. President, this Congress has created a commission for the purpose of negotiating for the payment of those obligations, and now we come in here and incorporate in an amendment, and I think without proper deliberation, a provision that in every way interferes with and hampers the conduct of that commission in the consideration of the subject. I can not agree to that at all. It was by reason of that fact that I voted as I did on the division last evening.

Mr. BURSUM. Mr. President—

The PRESIDING OFFICER (Mr. KENDRICK in the chair). Does the Senator from Indiana yield to the Senator from New Mexico?

Mr. NEW. Certainly.

Mr. BURSUM. I desire to call the attention of the Senator from Indiana to the fact that about \$3,000,000,000 has already been paid by the taxpayers of this country on account of those bonds. The interest has been paid by the taxpayers of the country. While it is true that for the time being the foreign debt was expected to be paid, it was not forthcoming, it was not available, and therefore it could not be used, but the taxpayers of the country have paid about \$3,000,000,000. Therefore, I assume that to that extent the foreign debt would be absolutely free for such use as the Congress might deem proper to make of it at least to that extent.

Mr. NEW. I am not willing to concede that any of the money owing to the United States shall be absolutely free until the debt that the United States has solemnly promised to pay has been paid. I believe that the Government should consider its obligations as private parties consider theirs, and so long as the Government owes money, and particularly when it owes it to its own people who have bought its bonds with money earned in the sweat of their faces, that it is due to the maintenance of the honor of the Government that those bonds be taken up as quickly as possible.

Mr. HEFLIN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Alabama?

Mr. NEW. I yield.

Mr. HEFLIN. I would like to ask the Senator if there is any debt more sacred than the debt we owe to the soldiers who saved the life of the Nation and the liberty of the world?

Mr. NEW. Oh, Mr. President, that is an academic question. I do not think it is to be taken seriously at all.

Mr. HEFLIN. It does not seem to be taken very seriously by the Republican Party.

Mr. NEW. Of course, there is no debt that equals a debt of honor and an obligation of that character. But, Mr. President, the Senator from Alabama to the contrary notwithstanding, that kind of a debt can not be paid in dollars and cents.

Mr. HEFLIN. But it makes the soldier mighty comfortable by giving him something to eat and wear.

Mr. LODGE. Mr. President, we lent to foreign nations some \$10,000,000,000, and, with unpaid interest, I think the debt now amounts to more than \$11,000,000,000. That money is just as much ours to dispose of, if we ever get any of it, as any other part of the funds of the Nation. Assuming that the pending bill or a bill is passed providing for the payment of the adjusted compensation to the soldiers, that obligation will be paid. The argument of my good friend from Indiana would be that we must not pay anything or spend any money while there is an outstanding bond of the Government. We have gone on for a good while with bonds outstanding making large appropriations simply for the ordinary work of carrying on the business of the Government. Of course, that must be done.

These debts are all bonded debts with time limit. If we get any payment of interest from a foreign debt, we can devote that, like any other revenue of the Government, to any purpose that we may choose. There is nothing sacred about the return of money from that debt, nothing whatever. We borrowed the money of the people for a great deal more than that debt to pay the expenses of the war, but we go on carrying on the business of the Government and paying the debt as we go, as all other nations do and as we have always done.

If the pending bill passes in any form, as I hope it shall, we shall have to pay the obligation it creates, and whether we take the money from loans paid back to the United States or whether we take it in any other way the people of the United States are going to pay it. I myself much prefer that it should be raised directly by taxation, and have said so in public many times. I think the House ought to have put on the bill a provision for raising the money by taxation. If the bill passes, the money will have to be paid by the people of the United States sooner or later. It is all going to be paid, and it can not be avoided. The direct way always seems to me the best way. As for putting on such a provision now, constitutionally we can not originate a revenue tax here. We can not raise revenue by an amendment to a bill which is not a revenue bill. It is out of the question to put it on here. If we did put it on the pending bill it would not be the sales tax that would go on, but it would be the excess-profits tax.

Mr. WILLIAMS. Mr. President, will the Senator pardon a question?

Mr. LODGE. With pleasure.

Mr. WILLIAMS. I heard the Senator say that he hoped this legislation would be enacted, but that we could not put a taxation provision upon the bill because of the Constitution of the United States.

Mr. LODGE. Yes; that is my judgment.

Mr. WILLIAMS. Does that prevent our sending the bill back to the House with an injunction that they shall perform their constitutional duty before we attempt to make it a law?

Mr. LODGE. Of course, we can reject the bill in various ways, and one of them is to kill it in conference, as will be done by the Bursum amendment, in my judgment.

Mr. WILLIAMS. Could we not pass the bill with an amendment which would require the House to perform its constitutional function?

Mr. LODGE. I do not think we can put on the bill an admittedly unconstitutional amendment.

Mr. WILLIAMS. Then if it is unconstitutional because the House has not originated taxation in connection with it, how does it come to its passage with that defect in the bill?

Mr. LODGE. I do not think it has that defect as it stands.

Mr. WILLIAMS. That is the point of difference between us.

Mr. LODGE. I think we are creating a charge upon the Treasury by issuing certificates which will all have to be paid sooner or later, of course, and, if necessary, be paid by taxation; but I do not think at this stage we can attach an amendment to the bill which we admit is unconstitutional.

Mr. WILLIAMS. That is what I am aiming at. Why could we not, then, attach an amendment to the bill providing for certificates or providing for bonds which would require the House of Representatives either absolutely to accept that provision or to originate a tax scheme in connection with the bill?

Mr. LODGE. I do not think we can compel the House in that way. Of course, to send it back with a provision that no House of Representatives would ever accept would be one way of killing the bill, and that is, of course, what this amendment would do, and every Senator who is against the passage of the bill would vote for such an amendment.

Mr. SIMMONS. Mr. President, in offering the amendment which is now the subject of discussion I had three definite objects in view: First, inasmuch as the President had stated through the press that he would not sign the bill unless it provided means for the payment of the amount required, I wished to supply the means of payment so as to remove all excuse or reason on the part of the President for vetoing the measure.

Secondly, Mr. President, I knew that there were certain interests in the United States which were very apprehensive that if this measure should pass it would result in additional taxation, and, as the Senator from Massachusetts has said, they had in mind particularly an excess-profits tax and perhaps to some extent a sales tax. I thought it was important in connection with this matter, if possible and feasible, to quiet those apprehensions on the part of the business interests of the country. If the bill had passed without any provision for the payment of the obligation incurred, that apprehension would have been accentuated. The business interests would have been in constant fear that resort might be had again to an excess-profits tax or that the income tax might be increased or that a sales tax might be imposed.

Thirdly, when a similar amendment was offered by me some time ago to the revenue bill—I did not take the time to refer to this point yesterday—I urged its adoption upon the ground, among others, that the dedication of this fund for the payment of our obligations to the soldiers would take away from foreign countries some of the inclination to insist upon the cancellation of their debts to America, and that it would be notice to them that we did not intend to cancel their debts. I have for a long time thought that the constant hope in the breasts of the statesmen of foreign countries that sooner or later these debts might be canceled has interfered with and retarded the adjustment of our foreign loans.

Mr. President, the Senator from Indiana [Mr. New], who is the sole Senator in this body who on yesterday voted against this amendment, voices here to-day as the reason for his opposition some suggestions which I have read in one or, perhaps, two newspapers. He broadly intimates that the adoption of the amendment may lead to a veto on the part of the President. If that is true, Mr. President, then one of the reasons which prompted me in offering the amendment, and I think one of the reasons which prompted the Senate in supporting the amendment, was based upon a false assumption of the effect of the amendment upon the presidential mind.

If I understand the attitude of the President of the United States with reference to this measure it is expressed in the message which he delivered to the Senate at the time he asked that the bill be recommitted to the Finance Committee. I think we have the right to take the President at his word and to assume that he has been candid with the Congress. In his message he said that the Treasury of the United States was in such financial straits that it would be inexpedient and unwise to pass legislation proposing to create additional obligations requiring immediate payment; in fact, he went so far as to say that, if it would not bankrupt the Treasury at that time, it would greatly embarrass the Treasury and the administration of the finances of the Government. Later he supplemented that statement with the suggestion that if a sales tax were provided that difficulty would be removed; that is, he indicated that he would prefer, if this legislation were to be en-

acted, that the money be raised by a sales tax. That suggestion met with universal criticism and disapproval throughout the country. Then the President, if the authorized statements emanating from the White House are to be accepted, indicated that he would require, as a condition precedent to signing the bill, that the means of its payment be provided in the act itself.

For months, in connection with the question as to whether the President would approve or disapprove the bill, the idea in the public mind—and that idea was created by statements from the White House—was that it would not meet with a veto if the means were provided for its payment. That meant, of course, if those means were provided in such a way as not to embarrass the Treasury in the manner indicated in the President's message.

At the time the President's message was delivered the proposition was to pay the whole amount of this indebtedness in cash or by some land settlement. The insurance feature had not then been introduced or suggested. The amount that then would have been required would have run up into the billions, and an appropriation of money to that amount would have been, in the conditions in which we then found ourselves and, indeed, in which we now find ourselves, embarrassing; but that danger is obviated by the provisions of the bill which we are considering. The bill we are now considering does not provide for many years to come an appropriation that will reach as much as \$100,000,000 in any one year. Surely, under such circumstances, the President's position must be interpreted to mean that if we provide a way of payment for this lesser sum such action will not embarrass the Treasury, and his objection to the legislation—which I understood him then to declare he favored in principle—would be removed. We now propose to provide even an easier way, so far as the difficulties of financing by the Government are concerned. We provide for the dedication to this purpose of the interest, or so much as may be necessary of the interest, accruing from obligations of foreign governments owed to us.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Tennessee?

Mr. SIMMONS. I trust the Senator will pardon me for one moment.

So, Mr. President, I can see no reason, if this bill be passed, why the President of the United States should veto it upon the grounds of opposition stated at the time he asked that the measure be recommended to the Committee on Finance.

Mr. McKELLAR. Mr. President—

Mr. SIMMONS. I wish the Senator would withhold the interruption, because I am afraid I will exhaust my 20 minutes before I say what I desire to say. If I have any time left after concluding I shall be glad to yield.

The Senator from Indiana says that we have dedicated the money to be derived from foreign obligations to the liquidation of the Liberty bonds and Victory bonds issued by our Government. The Senator is quite in error, Mr. President, because there is nothing in the law which makes any such provision or imposes any such condition as that. If there were, it would not be in the nature of a condition. No holder of those bonds to-day doubts their solvency; no holder anticipates any defalcation in the payment of interest or of principal when due, and it would be perfectly legitimate for us by subsequent legislation to modify such a provision if it were embodied in legislation, but in fact no provision of that sort was made.

I have seen in the newspapers—and the Senator from Indiana gave expression to that apprehension—that the adoption of this amendment would in some way or other embarrass and handicap the commission which is now engaged in trying to adjust the amount of the indebtedness due by foreign countries to our Government. What has that commission, Mr. President, to do with the disposition which the United States intends to make or shall make of the interest which it receives or of the bonds when they are delivered? What right have the foreign debtors of the United States to interfere in any way with the American Government's disposal of the interest which they pay us or with the bonds which they deliver to us? Of course the suggestion that my amendment would interfere with the funding of the debt is without merit or force, and, indeed, is quite absurd.

So far as foreign Governments are concerned, one thing that this amendment will do, and one thing that we desire it to do, is this: Those foreign Governments will be given to understand, once and for all time, that the United States intends that these obligations shall be met, and that we do not intend voluntarily to surrender or cancel them. We want to put an end to any vain and unreasonable hopes upon the part of our debtors that

something may turn up whereby the United States may be cajoled or persuaded to a relinquishment of those debts. There is much that affects the stability of business conditions in the United States involved in that situation. These debts are large. Measured by any other obligations that ever existed in this world, they are gigantic; and yet, while some of our debtors may not be able to meet them in full, most of these debts are due us by countries that are to-day in just as good condition as we are.

I do not care what you say about the difficulties of France; I know that to-day there is no country in the world that is more prosperous than France. There is no country in which business affairs are moving on as smoothly as they are in France. France to-day is able to maintain the biggest army, outside of Russia, in the world, and she is maintaining it. Her factories are running full time. They have been rehabilitated. Her sons find constant and lucrative employment. She is able to pay, and, as for me, I say let her understand that she must pay her just debt to America.

So far as Great Britain is concerned, while she has incurred an immense obligation, not only to us but otherwise, no country in this world is better able to meet her financial obligations than Great Britain. If she has some little difficulties at this time, they are difficulties which can be overcome by a great empire like that—an empire upon which the sun never sets; an empire that has her colonies scattered throughout the world feeding her domestic industries. She is just as able to pay her obligations as the United States is to pay our own obligations. Let England also understand that we have already given her enough, and that she must pay her debt to America.

This talk about cancellation of the debts, this hesitation about the settlement of these obligations, ought in some way or other to be brought to an end; and I know of no better way to do it than to have an act passed dedicating the interest accruing from that indebtedness to the payment of the soldiers—the soldiers who not only fought for the civilization of the world and to avenge the outrages that had been perpetrated upon the honor and the dignity of this country but who fought primarily to preserve the liberties and the civilization of the Governments that owe us these debts. We want them to understand that this indebtedness was incurred in the effort of the United States to help and save them, and that we are going to pay over, as we collect it, the interest upon this money that they owe us to the boys who fought their battle as well as our battle.

Now I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I just wanted to call the Senator's attention to the fact that the interest to be collected from England alone will amply finance the payments under this bill all the way through; and England has already, by her financial ministers, expressed her firm determination to begin some time in November to pay the interest regularly.

Mr. SIMMONS. There is not any doubt about the statement which the Senator makes. I stated yesterday that if we did not collect interest for the next two or three years from any of the debtor governments except Great Britain that fund would be amply sufficient to meet the cash payments provided under this bill. It would not be sufficient to meet the cash payments provided under the substitute now offered by the Senator from New Mexico, however.

Mr. McKELLAR. I was just going to call the Senator's attention to that fact.

Mr. SIMMONS. Not only that, but one year's payment of interest by Great Britain would probably amount to more than two years' payments under this bill. I think I am substantially correct in making that statement.

Mr. BORAH. Mr. President, later during the consideration of this bill I hope to discuss the question of the foreign debt and its availability for the purpose of paying these ex-service men. What I desire to call attention to particularly at this time is the stress which has been laid upon the proposition by the able Senator from North Dakota [Mr. McCUMBER] when he opened the debate and reiterated by the Senator from North Carolina [Mr. SIMMONS], that this bill now meets the objections which have been made heretofore by the President and by the Secretary of the Treasury, and therefore that there is no occasion to fear what they both seem possibly to anticipate—objection upon the part of the President.

I have no means of knowing what the President's views are at the present time with reference to this measure, and I do not discuss that question at all; but I call attention to the fact that if we go back to the President's address upon the 12th of July, 1921, we will find that this bill does not meet at all the objections which the President made at that time, and which he later repeated in his letter to Mr. FORDNEY, and which Mr. Mellon has repeated upon two different occasions in his letters.

I call attention to some of the views expressed by the President in July, 1921. He says:

The enactment of the compensation bill in the midst of the struggle for readjustment and restoration would hinder every effort and greatly imperil the financial stability of our country.

Can it be said that restoration and readjustment are completed?

Mr. SIMMONS. Mr. President—

Mr. BORAH. I yield to the Senator from North Carolina.

Mr. SIMMONS. I want to say to the Senator that while I think he was not in the Chamber when I was discussing the matter, I stated that at the time the President delivered that message the bill then pending, and which he asked to have recommitted, practically provided for cash payments, which would have involved a tremendous outlay by the Treasury, amounting to three or four billions of dollars. The bill that we have under consideration now is one that provides only for a small annual payment.

Mr. BORAH. It is not, Mr. President, the cash payment alone which embarrasses the program of restoration and readjustment. That which embarrasses that program is putting upon the Government an additional obligation, whether paid to-day or to-morrow, of from four to five or six billions of dollars. It is perfectly idle to say that notwithstanding the fact that you impose that tremendous obligation upon the Government which we have to face, because to-day you only draw \$78,000,000 of it, therefore it does not embarrass or impede the program of restoration and rehabilitation.

But the President further states: "This menacing effort to expend billions in gratuities will imperil our capacity to discharge our first obligation to those we must not fail to aid." What is the situation with reference to our obligation to the disabled men of to-day compared with what it was at the time the President spoke? I call attention to the fact that at the present time we are expending \$488,000,000 a year upon the disabled soldiers, about \$1,264,000 every day of the year, and about \$1,000 every minute of the day; and that will increase during the next two years so that it is calculated that it will easily reach \$800,000,000 a year. So the obligation with reference to taking care of the disabled soldier is greater, heavier, and more burdensome by far than it was at the time the President spoke a year ago, and it is now disclosed that it is to continue to increase at a more rapid rate than was anticipated at that time.

I pause here to say that while I am perfectly satisfied that no able-bodied soldier would permit himself to be placed in a position where he would in any way embarrass taking care of the disabled soldier, nevertheless it must be perfectly apparent to anyone who will stop and consider the matter that imposing an additional obligation on the Government of from four to six billion dollars a year will embarrass the Government in meeting its full obligation to the disabled soldier. Indeed, it is now claimed that by reason of the fact that the Government is seeking to economize we are already failing to do our part by the disabled soldier, and when we add to it the obligation which we already have we will fail, in my judgment, more pronouncedly to meet that obligation which everyone surely desires to have met in full degree.

I will read into the record a statement showing the expenditures. The expenditures to April 1 of last year were as follows:

Military and naval family allowances.....	\$298,615,000
Military and naval compensation.....	557,150,000
Insurance.....	23,000,000
Administration.....	83,896,880
Hospitalization.....	224,729,402
Hospital construction.....	47,095,000
Vocational training.....	469,133,370
Disposition of remains.....	33,473,782
Bonus allowance at the close of the war.....	48,682,200
Payments to beneficiaries of Army men and officers.....	2,495,000

Amounting up to that time to \$1,996,260,634; and since that time it has increased until this year we are preparing to expend \$488,000,000. So I say not only that the objection which the President raised at that time, that it would embarrass us in the reconstruction and rehabilitation of the industrial and financial condition of the country, has not been taken care of, but that the other proposition of embarrassing us in taking care of the soldier is more accentuated than it was at the time the President spoke.

The second objection to which the President referred was as follows:

Even were there not the threatened paralysis of our Treasury, with its fatal reflexes on all our activities which concerns our prosperity, would it not be better to await the settlement of our foreign loans? At such a time it would be a bestowal on the part of our Government when it is able to bestow.

There has been no settlement or adjustment of the foreign loans. France had her representative here for the purpose of discussing the question of the settlement of the foreign loan, and what was his message? His message was not only that France could not pay her foreign debt but, frankly, that she was not in a position to pay the interest on her foreign debt. A few days after the conference broke up between the premiers of France and England the representative of France here dealing with the question of the foreign loan was called home.

The Senator from North Carolina says that France is perfectly able to pay. It may be so; I will undertake to present some figures a little later which, in my judgment, will present another side to that question. But suppose that in his mind or in my mind France is able to pay, but France sends her representative here and says that she is not going to pay because she is unable to pay. What kind of a gratuity is it you extend to the American soldier to say that he will be paid out of what France proposes to give?

Likewise, Mr. President, with reference to the other foreign countries. We all expect those countries in time to pay their debts. We have put it in our congressional enactment that no power except Congress can cancel those debts, and I venture to say that neither you nor I will live long enough to see the United States cancel those debts. The terms and conditions under which cancellation would be considered, if at all, will not soon be presented to this country. But the canceling of the debts and the collecting of the debts at a specified time, or when we get ready to collect them, are two different propositions entirely.

I ask the able Senator from North Carolina, how are you going to collect the debt from France?

Mr. SIMMONS. I will answer the Senator very frankly that we can not forcibly collect the debt from France or any other foreign government that owes us a penny.

Mr. BORAH. That is precisely the situation. So we are saying to the soldier, and, most of all, we are saying to the taxpayer, "You are going to be relieved by our taking this money out of the payments of the interest upon the foreign debt," when they have already notified us that they are unable to pay, and it is conceded we can not force them to pay.

Mr. SIMMONS. While we can not force those Governments to pay us without going to war, we rely upon the integrity and honor of governments in all our international transactions, and it is assumed that if a government is able to pay it does pay or loses its standing among the nations of the earth. We have to rely in this case, as we would have to rely in any other case of a debt due us by a foreign government, upon their honor.

Mr. BORAH. Precisely so.

Mr. WILLIAMS. If the Senator will pardon me a moment, it is not precisely so, because I remember, and probably the Senator from North Carolina does, that the old Continental currency, issued by the people of that day, standing as high in honor as any people on the surface of the globe, has never yet been paid.

Mr. BORAH. They might have been lacking in national honor. Again, the President said:

It is quite as unthinkable to reduce our tax burden while committing our Treasury to an additional obligation which ranges from three to five billions of dollars.

Mr. President, I have not the time to go into this at length under the 20-minute rule, but later on I am going to present to the Senator from North Carolina and to the Senate the actual figures, which will disclose that not only have we failed to reduce our tax burden, either in the municipalities, the States, or the Nation, but that we are daily adding to those tax burdens, and that instead of our being in a better condition to meet this burden than we were on the 12th of July, 1921, a consideration of the actual facts, as the taxpayer has to come in contact with them, shows that we are in a less desirable position to meet it than we were in 1921, because we have been doing as we are doing with reference to this matter; we have been utterly disregarding of the Treasury of the United States, and the governors have been equally disregarding of the treasuries of the respective States.

Again, the President said:

A modest offering to the millions of service men is a poor palliative to more millions who may be out of employment. Stabilized finance and well-established confidence are both essential to restored industry and commerce.

Later, in his letter to Mr. FORDNEY on the 16th of February, 1922, he had this to say:

My best judgment is that any compensation legislation enacted at this time ought to carry with it provisions for raising the needed revenue.

This bill utterly flouts the President's suggestion in that regard. It is well known, if the public prints be correct, that he so regards it. There has been no attempt in this bill to meet this suggestion of the President, and the Senate will unhesitatingly vote down any attempt to meet it, because we are wriggling here between the taxpayer and the bonus men, seeking to pay the one without offending the other. The Senate would not for a single moment entertain any proposition to put a single dollar additional tax upon the taxpayers of this country at this time. Why? Simply because it brings home to the taxpayer a concrete illustration of what this bill means.

Again he said:

It is not an agreeable thing to suggest that action be postponed again, but, frankly, I do not find myself favorable to the piecemeal-payment plan, which is manifestly designed to avoid embarrassment to the Treasury. The long-drawn-out payments will not afford an effective helpfulness to the service men.

Does this bill conform to the President's wishes in that respect? Again he said:

We have no serious problem in beginning the allotments of public lands and the immediate issue of paid-up insurance. The real difficulty lies in the payment of the cash bonus. Rather than provide that the maximum cash payments shall extend over a period of two and one-half years, it would be a vastly better bestowal if we could await the day when we may safely undertake to pay at once in full, so that the award may be turned to real advantage.

Instead of meeting the situation, we have spread it over a period of 40 years. He continued:

Inasmuch as the Treasury is to be called upon to meet more than \$6,000,000,000 of maturing obligations in the 16 months immediately before us, it is not possible to recommend the issue of several hundred millions of additional short-time notes. Further excessive borrowing would likely undo all that has been accomplished in readjusting interest rates and stabilizing the financial world, both vitally essential to the resumption of industrial and commercial activities.

Granting that it is not fair to oppose any proposed plan without offering a substitute, let me repeat that I believe the American people will accept the levy of a general sales tax to meet the proposed bonus payments, and we should contribute thereby no added difficulties to the problems of readjustment. If Congress will not adopt such a plan, it would be wise to let the legislation go over until there is a situation which will justify the large outlay.

Mr. President, instead of this bill meeting the objections made by the President, it runs directly counter to some of them, and wholly fails to meet the others. How the President will view it when it finally reaches him I do not know; neither is it any matter of concern to me at this time. I only know that those things which he thought constituted a menace and an insuperable difficulty in 1921 are still with us and equally objectionable, if they were objectionable at that time. I think they were sound objections at that time and they are equally sound and insuperable now.

Mr. LENROOT. Mr. President, it was plain, from the President's message to the Senate last year, that his chief concern in regard to this bill was the immediate drain upon the Treasury which would be imposed by it, and the adverse effect the bill might have in the restoration of our financial condition, and the refunding of the indebtedness which must be refunded in the very near future.

I have been very greatly in sympathy with the idea that our Treasury is not in a condition to bear heavy drains upon it at the present time. That was one of the reasons why I voted on yesterday against the McNary amendment, because it authorized an additional appropriation of \$350,000,000 in addition to the \$78,000,000 for next year, and about the same amount the year following, imposed by the bill itself. However, my distinguished friend, the Senator from Idaho, voted for that amendment, which may impose a drain upon the Treasury of \$350,000,000 before this indebtedness of which the President speaks is refunded.

Complaint is made because this bill does not carry any means for raising the money with which to pay for the obligation which will be incurred under it. The President suggested a sales tax, it is true, but I do not know that the President has anywhere stated that he would veto a bill if the bill were of such a character that it could be seen that the Treasury could meet the obligations which would be imposed by the bill.

There was no more reason for putting a revenue measure upon this bill in the House than there was for putting one upon any bill which comes before the Congress of the United States which imposes an obligation or makes an appropriation. We had the estimate of the Secretary of the Treasury several months ago that there would very likely be a very large deficit in the Treasury in the next fiscal year. Did the Senator from Idaho suggest that we ought not to pass the agricultural appropriation bill, or the other appropriation bills, because there was no means provided in the bills for the raising of the revenue which would be required to make the expenditures?

Mr. BORAH. The Senator from Idaho has not suggested it in reference to this bill.

Mr. LENROOT. Then I utterly mistook the Senator's argument.

Mr. BORAH. I said the President had suggested it.

Mr. LENROOT. I certainly understood the Senator from Idaho, in his comments upon the views of the President, to suggest that if this bill were to pass, there ought to be provided a means or mode of raising the revenue which would be required under it. If I mistook the Senator from Idaho in that respect, I beg his pardon.

Mr. BORAH. The Senator misunderstood me. I would not vote for it if it had a provision of that kind in it.

Mr. LENROOT. That I well understood.

Mr. BORAH. I did not say that it ought to have such a provision in it. I said that was one of the objections which the President made, and we have not met the objection.

Mr. LENROOT. The President had a right to suggest it. We, however, have our responsibility as to what shall be done, and that responsibility is ours, and ours alone.

I suggested that there was not very much concern manifested yesterday about adding \$350,000,000 to this bill on the part of many of the Senators who are opposed to the bill, some of them upon the ground of the immediate drain it will make upon the Treasury. I rather expect that some of those Senators will vote for the pending amendment, which will make a possible drain upon the Treasury next year of \$750,000,000 instead of \$78,000,000, as is provided in the committee bill.

In that particular permit me to call attention to the speech of the present occupant of the chair, the distinguished Senator from New York [Mr. WADSWORTH], wherein he stated:

The Senator from North Dakota [Mr. McCUMBER] said it will cost but \$78,000,000 in the first year. The Secretary of the Treasury points out that we have a \$400,000,000 deficit facing us the first year, and the latest information is that instead of \$400,000,000 the deficit will be \$500,000,000, and yet lightly does the Senator from North Dakota suggest that we add another \$78,000,000 to that deficit.

And yet many of the Senators lightly added \$350,000,000 yesterday, and I am afraid some of those Senators are in a few moments deliberately going to vote to add \$750,000,000 instead of \$78,000,000 as proposed by the committee.

Mr. BORAH. Mr. President, will the Senator permit an interruption?

Mr. LENROOT. Certainly.

Mr. BORAH. The Senator from Wisconsin is going to vote for the bill with the \$350,000,000 provision in it, is he not?

Mr. LENROOT. I am.

Mr. BORAH. Well, I am going to vote against it with the \$350,000,000 provision in it.

Mr. LENROOT. Oh, yes; but, Mr. President, the Senator from Idaho knows that the bill is going to pass, and when a Senator votes for amendments that add a great amount of money to the bill, knowing that it is going to pass, it is not very much in justification of his voting to increase the amount of the obligation under the bill for him to say that upon final passage he is going to vote against it.

Mr. BORAH. I know the bill is going to pass, but I do not know so well that it is going to become a law.

Mr. LENROOT. Ah, I quite agree, and I have not a doubt in the world but what that was one of the actuating motives of some Senators in voting for the \$350,000,000, in the hope that by the addition of that sum the President might veto the bill when otherwise he might not.

Now, Mr. President, we might as well face the situation as it is. Every vote for the amendment in its effect will be a vote against the bill.

Mr. BURSUM. The Senator is referring to my substitute, is he not?

Mr. LENROOT. Yes; the Bursum substitute. No one doubts, from the statements the President has made, that if the substitute be adopted the bill will be vetoed. That being so, how can any friend of adjusted compensation vote for the substitute amendment? Does anyone believe that the service men are going to be deceived? Does anyone believe that any Senator can make the service men of America believe that he is in favor of adjusted compensation when he votes for \$750,000,000 to be drained out of the Treasury of the United States next year when he knows the bill will be vetoed by the President of the United States and in all probability can not pass this body over that veto, when if he had voted against the substitute the probability is that the legislation asked for by the service men themselves would be signed and become a law?

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nevada?

Mr. LENROOT. I yield.

Mr. PITTMAN. Does the Senator know that the President would veto the bill if the Bursum amendment were incorporated in it?

Mr. LENROOT. I of course am not authorized to speak for the President nor have I had any conversation with him upon the particular subject. But I do say that from the President's public statements but one inference can be drawn by anyone, and that is that a bill which would take out of the Treasury of the United States next year \$750,000,000 will be vetoed.

Mr. PITTMAN. If the Senator would state authoritatively that the President would veto it with the Bursum amendment in it, then those who favor adjusted compensation would not, of course, vote for it. But there is nothing that the Senator can point to in any statement ever made by the President that would sustain his assertion.

Mr. LENROOT. Why, did not the Senator listen to the reading of the President's letters by the Senator from Idaho a few moments ago?

Mr. PITTMAN. I have tried to listen to all the ambiguous statements of the President for the last two years.

Mr. LENROOT. I can well understand how there can be some Senators upon the other side of the aisle, and I am glad there are not many of them, who might prefer to vote for a compensation bill in the hope that it would be vetoed by the President of the United States. I am glad to know that the majority upon that side of the aisle do not propose to play politics concerning this important matter.

Mr. BURSUM. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from New Mexico?

Mr. LENROOT. I yield.

Mr. BURSUM. The Senator appreciates that it would cost \$1,500,000,000 less to liquidate this debt under the provisions of the amendment which I have proposed as compared with the bill reported by the committee. If that be true, would it not be conserving the credit of the country to save that amount of money?

Mr. LENROOT. If we liquidate \$1,500,000,000 to-day and pay $4\frac{1}{2}$ per cent interest upon that sum for 20 years, as provided in the bill, we would have paid very nearly the sum that is provided for in the bill. We have not the \$1,500,000,000 to take out of the Treasury, and the Senator knows it. The Senator knows there is no money in the Treasury with which to meet the payments under his substitute. There would be no money in the Treasury next year that could be used to meet the payments under his substitute, and he knows it. If his substitute should become a law, there is only one way under the sun by which the payments could be made, and that would be for the Government of the United States to borrow money to meet the payments.

Mr. BURSUM. Precisely so, and that is the only way by which the Government can meet the pledge which is contained in the bill reported from the committee and take up the loans by 1926. There is no other provision for it. It authorizes an extortionate rate of interest which would permit the profiteers to profit to the extent of \$81,000,000.

Mr. LENROOT. The Senator knows, if he has read the bill, that the bill itself provides against profiteering, that the maximum rate that can be imposed by any bank is $6\frac{1}{2}$ per cent.

Mr. BURSUM. How does it provide it? It does not provide it. What is to prevent a syndicate being organized to take over all of these loans at the rates authorized under the bill, and then float them in the country on the basis of the current credit?

Mr. LENROOT. I do not know of anything to prevent that.

Mr. BURSUM. Then there would be an \$81,000,000 melon to be cut.

Mr. LENROOT. That is so far-fetched that I would not undertake to spend time to argue it with the Senator.

Mr. BURSUM. It may be far-fetched, but it is absolutely practical, and it is absolutely what is going to occur, and it is absolutely what is already being planned.

Mr. LENROOT. Does the Senator propose to vote against the bill if his amendment is defeated?

Mr. BURSUM. No.

Mr. LENROOT. Thus the Senator himself proposes to vote for a robbery or the cutting of a melon, as he thinks, of \$81,000,000.

Mr. BURSUM. Yes. I am so anxious to give the boys what I think they ought to have that if I am compelled to do so, even though it be a rank proposition, I shall vote for it, because I am compelled to do so. That is the way I feel about it.

Mr. LENROOT. I must say I am more anxious to give relief to the service men than is the Senator from New Mexico, be-

cause the Senator from New Mexico must realize, and I think every Senator must realize, that if the Senator's amendment goes to the President of the United States, it will be vetoed and the service men will get nothing.

Mr. BURSUM. But why? What right has the Senator to assume that the President would exercise anything but a friendly attitude, a reasonable analysis, and that his decisions would be based upon what would constitute the best welfare of the country?

Mr. LENROOT. The President has indicated to Congress his views upon the subject.

Mr. BURSUM. So far as I am concerned I feel this way about it, that the allegiance which I owe is to exercise my judgment about what is right and in accordance with my own conscience.

Mr. LENROOT. Mr. President, I can not yield further. The Senator from New Mexico said he wants to use his judgment as to what is best for the soldier. He can do that, and by using that judgment deprive the soldier of any benefit whatever under the bill. I can well understand why it is that Senators opposed to any bonus will vote with the Senator from New Mexico. Does not that indicate anything to the Senator from New Mexico?

Mr. BURSUM. Mr. President—

Mr. LENROOT. I do not yield.

The PRESIDING OFFICER. The Senator from Wisconsin declines to yield further.

Mr. LENROOT. It certainly does to every other Senator upon the floor. Why is it that Senators opposed to any adjusted compensation are going to vote for his substitute? There is only one reason, of course, because they feel sure that if the Senator's amendment shall be adopted the service men of the United States would get nothing, and it would defeat the bill. If Senators who led their constituency to believe that they are in favor of the adjusted compensation can fulfill that pledge in any such way as is now proposed by the Senator's substitute, they will find out, Mr. President, that they are very much mistaken. The representatives of the American Legion do not want the Senator's amendment adopted. Representatives of the American Legion, representing the service men of the United States, want the bill adopted as it was reported by the committee.

Mr. BURSUM. Mr. President—

Mr. LENROOT. I do not yield. There is no question about the proposition I have just made. I would not urge that so far as the principle of adjusted compensation is concerned, but granted that there is a moral obligation—and that is the ground upon which I put this, and I will have something to say about it when we come to the final debate—granted that there is a moral obligation, we can not discharge that obligation individually by voting for amendments here which will kill the bill. Therefore, I am opposed to the Bursum amendment.

Mr. PITTMAN. Mr. President, the Senator from Wisconsin, as usual, has attacked everybody who disagrees with him, and has imputed to them ulterior motives. So far as I am concerned I am willing to let my record on behalf of the soldiers of the country stand against that of the Senator from Wisconsin. I would not even compare my sincerity with his, because I am confident of my own sincerity, whether the Senator from Wisconsin is confident of his own or not. His speech, as usual, has had in mind solely the defense of the administration to which he unfortunately belongs. There never was a great issue facing the country or this body that the same motive did not actuate the Senator from Wisconsin, to judge by his speeches. If he has ever had a deeper motive than politics, his language has failed to disclose it to me.

There is no use going back to review the fight for the ratification of the treaty following the Great War, but if anyone should review the history of it they would see exactly the same spirit of defense of the position of the other side of the Chamber by the Senator from Wisconsin that he has made in the pending matter. Step by step the Senator is slipping with his party and with his President, no matter where it lands him, pretending all the time that the thing which actuates his whole soul is love and sympathy for the soldier boys. The Senator's speech is a constant defense of the lack of the support of those soldier boys by his own administration.

If the President is going to veto this bill it is going to be on the sole ground, if he is consistent—and I will give him credit for being consistent, even if the Senator from Wisconsin [Mr. LENROOT] does not—that the bill does not provide the means for paying the compensation. It will not be determined by whether the compensation shall be paid in cash or shall be put over for a period of years; it will not depend upon whether one part of it

shall be paid in money and another part of it shall be paid in notes of the Government. That has never been taken into consideration; that is an economic proposition that bears on the method of payment and not on how the money shall be raised to pay the obligations, and the Senator from Wisconsin knows that.

As a matter of fact, this committee bill is not what the Senator from Wisconsin promised the soldier boys when he was running for office; this is not what was promised the soldier boys by nine-tenths of the Members of this body when they sought their votes. Oh, no; go back to the original bill which was introduced in the other House and see what they then promised the soldier boys.

Examine that bill. Did they say then that they would not give a cent for adjusted compensation in cash to any soldier whose claim amounted to more than \$50? Oh, no; for if they had said that two-thirds of the soldier boys whom they induced to vote for them would not have voted for them. They know that. But now they come in and say, "This satisfies the soldier boys; we are giving them everything that is coming to them." They are giving no cash pay to those who gave the longest service to the Government. What is the difference in the obligation of this Government whether it issues bonds and sells them to the public or whether it issues its notes to the soldier boys and they sell them to the public? In either event the same amount would be involved and the same obligation would be imposed on the public.

Mr. WILLIAMS. But in one case the interest would be less.

Mr. PITTMAN. The only difference is, as suggested by the Senator from Mississippi [Mr. WILLIAMS], that the method of payment in the Bursum amendment would bring down a lesser burden on the people of the country. There is no answer to that whatever.

The whole truth of the proposition is—and it is understood by all Senators in this body—that members of the Republican majority are trying to get away from the speeches which they made to the soldiers when they were running for office. They regret that they pledged these boys adjusted compensation. Some of those who are trying to get away from it now did not believe in it at the time and they do not believe in it now and they are doing everything in their power to slip away from it.

Oh, yes; two years ago when they were running for office and making these promises to the boys they were saying we realize your desperate condition and we are going to help you right away. Does the bill, as reported by the committee, help the soldiers right away? It does not give any help to anybody right away except those who served the shortest time in the Army, those to whom only \$50 or less is due. All of the others of those brave boys whom we were going to help right away will not have any cash coming to them. Oh, no; Senators on the other side slip away from the whole proposition. They promised these boys to support the bill which was formulated by the American Legion on behalf of the soldiers, but they have so butchered the bill in the Senate committee that no soldier could recognize it.

The soldiers sought, above everything else, the opportunity to make homes; the opportunity that was given patriotically to the soldiers in Canada, across the line, and ably forwarded by that Government. The House of Representatives gave it to the soldiers in its bill; yet Senators on this floor who promised to support that program have calmly voted to cut out that beneficial provision, and when a less expensive provision was proposed some of those same Senators who to-day are questioning the motives of others voted against the McNary amendment. I think the Senator from Wisconsin was one of them. He is willing to strike out of the House bill the provision for the settlement of the soldiers on the land; he is willing to vote against any cognate proposition, and will not himself suggest any amendment to cover that feature. The Senator from Wisconsin questions the motives of Senators who believe that this committee bill is an injustice to the soldiers, and yet he has voted against every amendment that would tend to bring this bill back to where it was as it came from the other House, and to make it the bill which he promised to support.

There is not any question at all that the Bursum amendment would impose a less burden on the people of the country than the bill as reported by the committee; there is not any doubt that it is the only proposition which has so far been brought forward that will be of any immediate help to the soldiers. Those are the two main considerations—immediate help to the soldiers and the imposition of as small a burden on the people as possible. Those things are not provided for in the bill as reported by the committee, and no one has been able to show that they are. They are, however, partially provided for in the Bursum amendment.

But it is said by certain Senators that they fear if we make this bill any better the President will veto it. Why is it that they suspect their President of being so brutal and unjust? Their President has always expressed a desire immediately to aid in some way the soldiers. Do they suspect that he did not mean that when he said it? Do they suspect his motives also? I do not suspect them; I have no reason to suspect them. The pending amendment will not place a greater burden on the Government, but it will give immediate relief to the soldier, and that is what the President of the United States has contended that he desired to accomplish.

What are the Senators in the majority in this body going to do? Are they going to allow their legislative ideas to be controlled entirely and absolutely by what they fear the President may do? I say "fear," because they have nothing else back of their position except a cowardly fear or some other similar motive.

I wish to say to them that if the President vetoes this measure by reason of the Bursum amendment there will be enough votes in this body to carry it over his head if those who pretend they stand for the soldiers will really stand for the soldiers instead of for politics. As a matter of fact, the only danger the soldiers have to fear is from politicians, and not from the sentiment of the Senate. Two-thirds of this body are for the soldiers' adjusted compensation bill in the form in which it passed the House, which is far more liberal than any bill now before the Senate or any amendment which has been offered to the bill. The truth about the matter is that some of those who pretend that they love the soldier so deeply love their political organization more. They would like not to have to vote on the bill at all; but as they are compelled to vote on something, they want to make it so inconsequential that it will not even require the consideration of the President of the United States.

Nothing can be said against the amendment offered by the Senator from New Mexico except the reiteration of the constant fear that the President will veto the bill if that amendment shall be adopted, and the very Senators who express that fear are discrediting the head of their own Government and their own administration and imputing motives and desires to him that I find nothing in his declarations whatever to sustain. It is an unworthy attempt to coerce those in this body who favor doing something fair and reasonable for the soldiers.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico [Mr. BURSUM], as modified.

Mr. LENROOT. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. BROUSSARD (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. MOSES]. I understand that if he were present he would vote as I intend to vote. I therefore feel at liberty to vote and vote "yea."

Mr. SIMMONS (when Mr. OVERMAN's name was called). I wish to announce, and ask that the announcement may stand for the day, that my colleague [Mr. OVERMAN] is absent on account of illness. He is paired with the senior Senator from Wyoming [Mr. WARREN]. If present, my colleague would vote "nay" on the proposed substitute.

Mr. WARREN (when his name was called). I have a pair with the Senator from North Carolina [Mr. OVERMAN], as his colleague [Mr. SIMMONS] has already stated. From that statement I consider myself at liberty to vote. I vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the Senator from California [Mr. JOHNSON]. I do not know how he would vote on this proposition, and therefore withhold my vote.

The roll call was concluded.

Mr. EDGE. I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from South Dakota [Mr. NORBECK] and will vote. I vote "yea."

Mr. CALDER. I am paired with the senior Senator from Georgia [Mr. HARRIS]. I transfer that pair to the senior Senator from New Hampshire [Mr. MOSES] and will vote "nay."

Mr. McCUMBER (after having voted in the negative). I observe that my pair, the junior Senator from Utah [Mr. KING], has not voted. I therefore transfer that pair to the junior Senator from Washington [Mr. POINDEXTER] and will allow my vote to stand.

Mr. CURTIS. I have been requested to announce the following general pairs:

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY]; and

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON].

The result was announced—yeas 27, nays 44, as follows:

YEAS—27.

Borah	Gerry	Newberry	Shields
Broussard	Glass	Nicholson	Swanson
Bursum	Hitchcock	Pepper	Underwood
Dial	McNary	Phipps	Wadsworth
Edge	Myers	Pittman	Walsh, Mont.
Fletcher	Nelson	Pomerene	Williams
France	New	Reed, Pa.	

NAYS—44.

Ashurst	Gooding	McCumber	Smith
Ball	Hale	McKellar	Smoot
Calder	Heflin	McLean	Stanfield
Cameron	Jones, Wash.	Oddie	Sterling
Capper	Kellogg	Ransdell	Sutherland
Colt	Kendrick	Rawson	Townsend
Culberson	Keyes	Reed, Mo.	Trammell
Cummins	La Follette	Robinson	Walsh, Mass.
Curtis	Lenroot	Sheppard	Warren
Dillingham	Lodge	Shortridge	Watson, Ind.
Frelinghuysen	McCormick	Simmons	Willis

NOT VOTING—25.

Brandegee	Harris	Moses	Spencer
Caraway	Harrison	Norbeck	Stanley
du Pont	Johnson	Norris	Watson, Ga.
Elkins	Jones, N. Mex.	Oberman	Weller
Ernst	King	Owen	
Fernald	Ladd	Page	
Harrell	McKinley	Poindexter	

So Mr. BURSUM's amendment, in the nature of a substitute, as modified, was rejected.

Mr. REED of Missouri. Mr. President, is there an amendment now pending?

The PRESIDENT pro tempore. There is no amendment pending.

Mr. REED of Missouri. I desire to make a few remarks, but I do not want to cut myself off from the opportunity of speaking later. I do not want to speak at length.

The PRESIDENT pro tempore. The bill is before the Senate as in Committee of the Whole and open to further amendment.

Mr. SMOOT. Mr. President, I offer the amendment which I send to the desk and ask to have read.

The PRESIDENT pro tempore. The amendment will be read.

The ASSISTANT SECRETARY. On page 42, after line 22, it is proposed to insert the following new title:

TITLE X.—ADJUSTED COMPENSATION TAX.

SEC. 1001. (a) That on and after November 1, 1922, and until November 1, 1925, in addition to all other taxes there shall be levied, collected, and paid (a) upon every commodity manufactured or produced when sold, leased, or licensed for consumption or use without further process of manufacture, a tax equivalent to one-half of 1 per cent of the price for which such commodity is sold, leased, or licensed, such tax to be paid by the manufacturer or producer, and (b) upon every commodity manufactured or produced in a country other than the United States, when imported into the United States for consumption or use without further process of manufacture, a tax equivalent to one-half of 1 per cent of the value at port of entry of such commodity, such tax to be paid by the importer.

(b) That on and after November 1, 1925, in addition to all other taxes there shall be levied, collected, and paid (a) upon every commodity manufactured or produced when sold, leased, or licensed for consumption or use without further process of manufacture, a tax equivalent to one-fourth of 1 per cent of the price for which such commodity is sold, leased, or licensed, such tax to be paid by the manufacturer or producer, and (b) upon every commodity manufactured or produced in a country other than the United States, when imported into the United States for consumption or use without further process of manufacture, a tax equivalent to one-fourth of 1 per cent of the value at port of entry of such commodity, such tax to be paid by the importer.

SEC. 1002. (a) That this title shall not apply to sales, leases, or licenses made during any year in which the total price for which the taxable sales, leases, or licenses are made does not exceed \$6,000, nor to sales of refined gold or silver.

(b) If any manufacturer, producer, or importer of any commodity taxable under this title customarily sells, leases, or licenses such commodity at wholesale at the place of manufacture, production, or importation, and also at wholesale at another place, or at retail, the tax in the case of any commodity sold, leased, or licensed otherwise than at wholesale at the place of manufacture, production, or importation shall be computed on the price for which like commodities are sold, leased, or licensed at wholesale at the place of manufacture, production, or importation; or if sold by him at retail only the tax shall be computed on the fair market price at which like commodities are customarily sold, leased, or licensed at wholesale at the place of manufacture, production, or importation.

(c) If any person who manufactures, produces, or imports any commodity taxable under this title (1) sells, leases, or licenses such commodity to a corporation affiliated with such person within the meaning of section 240 of the revenue act of 1921 at less than the fair market price obtainable therefor, the tax thereon shall be computed on the basis of the price at which such commodity is sold, leased, or licensed by such affiliated corporation; and (2) if any such person sells,

leases, or licenses such commodity, whether through any agreement, arrangement, or understanding, or otherwise, at less than the fair market price obtainable therefor, either, first, in such manner as directly or indirectly to benefit such person or any person directly or indirectly interested in the business of such person, or, second, with intent to cause such benefit, the amount for which such commodity is sold, leased, or licensed shall be taken to be the amount which would have been received from the sale, lease, or license of such commodity if sold, leased, or licensed at the fair market price obtainable therefor.

(d) Every individual, firm, or corporation liable for any tax imposed under this title shall make monthly returns under oath in duplicate and pay the taxes imposed by such title to the collector for the district in which is located the principal place of business. Such returns shall contain such information and be made in such time and place and in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation prescribe.

(e) Taxes levied under this title shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax a penalty of 5 per cent, together with interest at the rate of 1 per cent for each full month from the time when the tax becomes due.

SEC. 1003. (a) That the taxes imposed by this title shall not apply to sales, leases, or licenses made by (1) the United States; (2) any foreign government; (3) any State or Territory or political subdivision thereof or the District of Columbia; (4) any hospital; (5) Army or Navy commissaries and canteens; or (6) any corporation organized and operated exclusively for religious, charitable, scientific, or educational purposes no part of the net earnings of which inures to the benefit of any private stockholder or individual; (7) any public utility; or (8) any farmer as to the product of his farm.

(b) The tax imposed by this title shall not apply to sales, leases, or licenses of any article taxable under Title VI of the revenue act of 1918 or Title VII of the revenue act of 1921.

(c) The taxes imposed by this title shall not apply with respect to articles sold, leased, or licensed for export and in due course so exported.

SEC. 1004. That in the case of any erroneous payment of any tax imposed by this act any person making such erroneous payment may take credit therefor against taxes due upon any subsequent return.

SEC. 1005. That the provisions of this title shall become effective on and after November 1, 1922.

SEC. 1006. That all the provisions of law relating to the levying, collection, and payment of internal-revenue taxes shall be applicable to the levying, collection, and payment of the taxes imposed by this title.

SEC. 1007. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to make all needful rules and regulations for the enforcement of the provisions of this title.

Mr. SMOOT obtained the floor.

Mr. REED of Missouri. Mr. President, I desire to make a point of order.

The PRESIDENT pro tempore. The Senator from Missouri will state the point of order.

Mr. REED of Missouri. The bill to which this amendment is offered contains no provision for raising revenue. The Constitution, Article I, section 7, provides that—

All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

There being no provision in this bill as it comes to us from the House for raising revenue, the Senate is without jurisdiction or power to attach an amendment which proposes, as the pending amendment does, to raise revenue by taxation. The matter being beyond the jurisdiction and without the power of the Senate, I raise the point of order that it is not in order.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The point of order is not debatable. The Chair will be very glad to receive advice on the point raised by the Senator from Missouri, but will reserve the privilege of limiting the debate.

Mr. WATSON of Indiana. With the indulgence of the Chair, I want to say just a word.

Since I understood that the Senator from Utah would introduce this amendment, I have given the matter some thought and some little attention. My judgment is, with all due deference to the opinion of the Senator from Utah, that the amendment is unconstitutional, in that we have no right to originate a revenue measure in the Senate.

But, at the same time, I disagree with the Senator from Missouri, because I do not believe that it is subject to a point of order. I do not think the question as to whether a matter proposed is or is not constitutional is a matter of procedure. The Senate may vote on it even though it is unconstitutional. It is a question for the Senate to decide, and I do not think our rules of order run contrary to the Constitution, to put it broadly, and I do not believe the amendment is subject to the point of order made by the Senator from Missouri. But, at the same time, however the Chair may rule on that, I trust that when the Senator from Utah begins to discuss it he will address himself to the constitutional right of the Senate to enact this legislation in the first instance.

Mr. BORAH. Mr. President, I have not given any particular consideration to this matter, but the suggestion made by the Senator from Indiana seems to me quite well worthy

of consideration. Can we decide upon the constitutionality of a measure under a point of order? It would be a very interesting proposition if they could all be disposed of in that way.

Mr. SMOOT. Mr. President, I recognize that there is a question as to whether the amendment is even in order. When I first thought of offering this amendment for the purpose of raising a fund to meet the obligations which will be placed upon the Government by the passage of the pending bill I thought there was no question but that we could do it, and in what little time I have had at my disposal of late I have looked up a number of the precedents, and I must admit to the Senate that most of them are in accord with the statement made by the Senator from Missouri.

The PRESIDENT pro tempore. Will the Senator from Utah permit an observation on the part of the Chair?

Mr. SMOOT. Certainly.

The PRESIDENT pro tempore. The advice the Chair sought of the Senators, although the point is not open to debate, is whether the Chair has any authority to pass upon the constitutionality of a bill or an amendment to a bill. The Chair may shorten the debate by saying that the present opinion of the Chair is that the Presiding Officer of the Senate has no authority to pass upon the constitutionality of a measure that is presented which the Senate has under its consideration; that that is a matter for the Senators themselves to decide.

Mr. SMOOT. I agree with the Chair in that particular, and, of course, in this case that is all I shall ask.

The PRESIDENT pro tempore. The Chair does not desire at this time to hear a discussion upon the merits of the amendment.

Mr. SMOOT. Then, of course, I shall be content simply to have Senators vote upon it.

The PRESIDENT pro tempore. The Senator from Utah will be recognized for a discussion of the amendment immediately after the point of order is decided.

Mr. REED of Missouri. Mr. President, I would not make this point of order if we were simply engaged in passing an ordinary statute which, in the opinion of some Members of the Senate, might be unconstitutional. The point I make goes back of that sort of a question. It goes to the question of the jurisdiction of the Senate over a particular subject matter. The express language of the Constitution is that—

All bills for raising revenue shall originate in the House of Representatives.

Here is a measure for raising revenue. It does not originate in the House of Representatives. It therefore is a matter with which the Senate has nothing to do and with which it can have nothing to do if the point is raised. It is like a plea to the jurisdiction of a court. If the court has jurisdiction of a subject matter we all agree that the case must be tried, and if the Senate had jurisdiction of this subject matter we would all agree that the question had to be settled by the vote of the Senate. But if the Constitution of the United States denies to the Senate any right whatsoever to deal with this subject matter unless a bill first comes to us from the House touching upon the same subject matter, then clearly the Senate is without any power whatever to proceed, and being without power to proceed, it seems to me the question can be raised on a point of order.

Mr. BORAH. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED of Missouri. I yield.

Mr. BORAH. The question is, can the Chair determine the jurisdiction of the Senate over a question when the constitutionality of the proposition is involved? Can the Chair alone determine that proposition? It does not seem to me, if the Senator from Missouri will permit me, that the Chair alone is to be permitted to determine that question.

Mr. REED of Missouri. The Chair only determines it in its opinion. The question is determinable by the Senate on an appeal from the decision of the Chair. I do not know that I could make this point any clearer by talking about it for an hour.

The Constitution is greater than the Senate. The Constitution denies our jurisdiction over a question by express terms. There is no dispute of fact here. The bill is before the President of the Senate. It contains no provision whatever for the raising of revenue. It is not a mooted question; it is not a question of dispute. It is clear and plain and unequivocal. It is then proposed to introduce a matter over which, under the Constitution, we have no jurisdiction, which we have no right to touch, no right to consider; and if we did consider it our act would fall dead.

Mr. BORAH. That would be true of any proposition which was suggested here which is unconstitutional.

Mr. REED of Missouri. No.

Mr. BORAH. If a bill were introduced in the Senate and I should offer an amendment to it, whether it related to revenue or anything else, and it was clearly unconstitutional, the same argument would apply, and instead of the Senate deciding whether or not it had jurisdiction, the Senator from Missouri would contend that that would be a matter for the Chair to decide.

Mr. REED of Missouri. The ordinary case to which the Senator refers, where the Senate may be acting beyond its power but has jurisdiction of the subject matter, is one thing. For instance, the Senate has jurisdiction, along with the other House of Congress, of a multitude of questions. In determining what law it will pass it may go beyond its legal authority. But the subject with which it is dealing may be one with which the Senate can deal. This subject matter the Senate can not deal with.

I do not care to prolong this discussion; it is not so important; but suppose the House of Representatives were to undertake to pass upon and approve the appointment of an ambassador to the Court of St. James; suppose somebody should move that the House of Representatives advise and consent to the appointment. That being a matter with which the House of Representatives has nothing to do, would it not be subject to a point of order? I think it would be.

Mr. President, I have suggested the point. I do not care to prolong the discussion.

Mr. ASHURST. Mr. President, on this point the philosophy of the Senator from Missouri is certainly correct, and I am not sure that his method of procedure is wrong. The Senate on March 2, 1917, attached to the naval appropriation bill certain amendments providing for the issuance of bonds, and as amended returned that bill to the House, and on that same day, a few hours after the House received that bill from the Senate, the following resolution was unanimously agreed to by the House of Representatives:

House Resolution 550.

Resolved, That the amendments providing for the issuance of bonds added by the Senate to the House bill (H. R. 20632) in the opinion of this House contravene the first clause of the seventh section of the first article of the Constitution of the United States and are an infringement of the privileges of this House, and that the said bill with the amendments be respectfully returned to the Senate with a message communicating this resolution.

Mr. McCUMBER. Mr. President, I rise to a point of order. I understood the Chair had decided that question.

Mr. ASHURST. With due deference to my learned friend, that would not preclude my talking.

Mr. McCUMBER. No; I know that.

Mr. ASHURST. I am surprised that such an able Senator as the Senator from North Dakota should even intimate that because a question has been decided we should stop talking about it. Indeed, Mr. President, that is when the discussion begins.

Mr. McCUMBER. Mr. President, understanding that the parliamentary question has been disposed of, I want to say just one word on the amendment.

The PRESIDENT pro tempore. The parliamentary question has not been disposed of.

Mr. McCUMBER. I would like to have the Chair dispose of it then.

The PRESIDENT pro tempore. The Chair is quite ready to rule upon the point of order made by the Senator from Missouri.

Whatever may be the opinion of the present occupant of the chair respecting the constitutionality of the amendment proposed by the Senator from Utah, the Chair is quite clear that it is not within the jurisdiction or power of the Presiding Officer to pass upon that question, and therefore the point of order is overruled, and the Senator from Utah is recognized if he desires to be recognized for the purpose of presenting the amendment.

Mr. ROBINSON. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. SMOOT. I will yield the floor if the Senator desires to make a statement.

Mr. ROBINSON. Mr. President, I do not believe there is any lawyer in the Senate who will not admit that the amendment proposed by the Senator from Utah is violative of that provision of the Constitution which requires all bills for raising revenue to originate in the House of Representatives.

It is perfectly clear to me that if the Senate should adopt the amendment of the Senator from Utah and send the bill

to the House of Representatives with that amendment in it, the House, under every precedent that has occurred during the last 20 years and under every one that I have ever heard of, would refuse to receive the bill and would immediately send it back to the Senate on the ground that the Senate had trespassed upon the jurisdiction of the House of Representatives. Is there a Senator familiar with the precedents who doubts that I have stated them correctly?

The House is rightfully jealous of its prerogative in this matter. For many reasons the Constitution reposed in that body the jurisdiction to originate revenue bills, and that body has rightfully safeguarded its exclusive jurisdiction over the subject. It is regarded by the body at the other end of the Capitol as an affront for the Senate of the United States to assume jurisdiction in a case where there can be no doubt in the mind of any well-informed person that the Senate is deliberately trespassing upon the jurisdiction of the House of Representatives. This amendment does not present a question of doubt. It does not present a case where a well-informed Senator may say that in all probability the subject is within the jurisdiction of the Senate. It presents a case where, I repeat, every Senator, even the Senator proposing the amendment, must admit that the provision is violative of the Constitution of the United States in that it seeks to usurp on the part of the Senate the jurisdiction of the House.

These facts being true, it being manifest to all Senators that we have no right to consider and act upon the amendment, it being clear that the House would justly resent an effort upon the part of the Senate to usurp its jurisdiction, I ask the Senate what is the advantage now and what is the justification for frittering away the time of the Senate in the consideration of the amendment? I would not take advantage of the Senator from Utah to make a motion to lay upon the table his amendment, because the Senator from Utah was good enough to yield to me to make this statement.

Mr. SMOOT. The Senator may do so so far as I am personally concerned.

Mr. ROBINSON. Then I move to lay upon the table the amendment offered by the Senator from Utah.

Mr. BORAH. Mr. President, I am perfectly willing to vote against the amendment, but I am not willing to lay it on the table. I am getting tired of the proposition of having the cloture applied in this Chamber in that way.

Mr. ROBINSON. If the Senator from Idaho wants to discuss the amendment, I withdraw the motion to lay it on the table.

Mr. SMOOT. I will say to the Senator from Arkansas and to the Senate that so far as I am personally concerned I do not care to discuss the question, and the Senate can vote upon it at any time. I shall not say a word about it, but let it be decided by the Senate. If it feels it is in violation of the Constitution of the United States, I have no objection to the vote being taken. I do not desire to enter into any discussion of the question. I state very frankly to the Senator from Missouri that I think there was a great deal in what he said in his point of order.

Mr. McCUMBER obtained the floor.

Mr. REED of Missouri. Will the Senator permit me to interrupt him to say just a word of personal explanation?

Mr. McCUMBER. I shall be through in just a moment. I merely desire to say that while we may all agree with the ruling of the Chair, there is not a Senator who does not fully understand the provision of the Constitution that all bills for raising revenue must originate in the House. Now, we all understand that. None of us disagree with it. Furthermore, we all understood our oath when we swore we would support and defend the Constitution of the United States. How on earth a Senator can square that oath with a vote in favor of this amendment upon the bill is beyond my comprehension.

Mr. REED of Missouri. Mr. President, I simply desire to say that I did not mean the point of order which I made as any possible attempt to deprive the Senator who introduced the amendment of his rights upon the floor.

Mr. SMOOT. Oh, Mr. President, I understood that.

Mr. REED of Missouri. I thought it a proper way to raise the point, and I disclaim any thought or any intention to cut the Senator off. That, I thought, was the short way out of it.

Mr. UNDERWOOD. Mr. President, I desire to say just a few words. Of course, we all recognize that the Senate can not originate a revenue bill. The courts have already decided that in the case of the cotton futures act a year or two ago. The bill came over here with some provision to use the post-office power of the Constitution for the enforcement of the law. The Senate took out that provision and put a tax on futures

sales to provide means for the enforcement of the law. The district court promptly held that the action of the Senate was unconstitutional.

Of course, if we wanted to kill the pending bill there would be no better way to kill it than to put on it a provision for the raising of revenue if that provision originated in the Senate. Although I am very much opposed to the pending bill, I shall endeavor to try to defeat it, if I can, by direct methods and not indirect methods. Therefore I shall vote against the pending amendment to put a tax provision in the bill.

I did not want to let my vote stand without this explanation, because I feel that if the bill is passed it is going to require from \$4,000,000,000 to \$7,000,000,000 to meet the obligation imposed. I think that the position which the President of the United States took last year in regard to the matter was entirely correct, that if the Congress is going to impose so great a burden of obligation that must be met, it ought, in imposing that burden, to carry with it the necessary legislation for its payment. If I had an opportunity to vote to put on the bill a tax provision to pay for the obligation that we are putting on the country, and which in the end must be paid by a tax imposed on the people of the United States, I would vote for such an amendment. Of course I can not vote for it here because it would be an idle thing to do. But I want to say that if the Senator from Utah, instead of proposing an amendment which is clearly unconstitutional, would introduce a resolution expressing the sense of the Senate that it return the bill to the House of Representatives with the request that they add to it a taxing amendment which would provide for raising the money to pay the obligations we are going to put on the Government, I would vote for that resolution, because that would be in keeping with the Constitution. I do not want to delay the Senate, but I did not want a negative vote to misrepresent my position on the question that we should raise the revenue if we are going to pass the bill.

Mr. SMOOT. Mr. President, I want the Senator from Alabama to understand that my original thought was not in any way, shape, or form to try to defeat the bill indirectly by offering the sales tax amendment. In fact, when I first thought of it there was a doubt in my mind whether it would be a violation of the Constitution or not. There are some of the precedents which hold that it is not, but a great majority of them hold that it is. If my purpose can not be accomplished in the way my amendment contemplates, I intend to offer another amendment to the bill, and then I shall speak to that amendment, but it does seem to me, with the obligation we are under at the present time, that it would be the height of folly and unwise in the extreme to load an additional burden upon the Government of the United States at this time. I am perfectly willing that the Senate shall vote on my amendment without even a yea-and-nay vote.

Mr. HEFLIN. Mr. President, I did not finish reading the article which I started to read this morning referring to the amendment on which the Senate voted yesterday afternoon, providing that this money should be raised by collecting the interest on the debt due us from foreign countries. The Washington Post article, from which I read, in part, continues:

The amendment likewise has the disadvantage of practically "blowing up" the American funding commission now negotiating with foreign powers for the refunding of the debts. Senator Smoot, who is a member of the commission, naturally regards the amendment as impossible and would have voted against it had he been present.

Mr. President, here is an opportunity, I repeat, to pay adjusted compensation to the American soldier by collecting a debt overdue to this Government, paying the adjusted compensation without issuing Federal reserve notes, without taxing the American people one five-cent piece, without taking a nickel out of the Treasury, without selling any bonds of the United States.

The Senator from Utah [Mr. Smoot] and others come forward now with a sales-tax proposition that would impose a tax burden upon the breakfast table, the dinner table, and the supper table, and would impose a tax upon every consumer in the mass of the 110,000,000 people. Why will Senators on the other side of the Chamber seek to burden the American people in this fashion when we can raise the money by collecting a debt honestly due to the American people? Why is it that Wall Street financiers are considered above the interest and welfare of the American mass? Why is it that the finest types of young men that ever responded to the call of duty must wait four years and more, and then when we come with a solid Democratic vote supporting the amendment of the Senator from North Carolina [Mr. Simmons], with the aid of a few Republicans, and put it on the bill providing for the collection of this money, thus relieving our people of the

burden of additional taxation, the Senator from Utah should present his sales-tax amendment—the Senator from Utah who is on the commission with four other Republicans, not a Democrat on it, not a progressive, not an independent, but a partisan commission made up purely and wholly of Republicans, five in number, handling this foreign-debt question.

The paper tells us, before the Senator from Utah could be heard, that if he had been present he would have voted against the amendment, and the next day the Senator from Utah, a member of the commission, a leading Republican in this body, soon to be chairman of the great Finance Committee of the Senate, leaves his tariff conference committee long enough to come in to offer an amendment to burden the masses of the American people, already overburdened with taxation, with a sales tax. Every time a poor struggling man or woman would buy a pair of shoes for a baby or any necessity of life it would be necessary to contribute money through the process which the Senator now offers in this Chamber. Why is this step taken at this time? Why is it that Wall Street's influence has been strong enough to shut the door in the faces of the soldiers for four years, and why, when the light is breaking through and we are about to provide a way to pay the boys a debt long due to them, is it attempted to burden the bill with a provision which Senators know can never pass the House? Why is it that those Senators now present a proposition that every man and woman who consumes in this country will rise and protest against? Why offer this injustice to the American soldier and tax him to pay a debt that we owe him? The American ex-service men, many of them, are not able now to buy food; not able to furnish decent clothes; not able now to provide themselves with shelter, and yet the Senator from Utah [Mr. Smoot]—a partisan member of the funding commission, composed of four other partisans, who are handling a debt due to 110,000,000 people without regard to politics, a political Republican partisan commission—comes in here at this late hour and offers upon this bill, which is now moving toward its passage, a sales-tax provision.

I trust, Mr. President, that the amendment will not receive a half dozen votes in this body. Let us solemnly resolve to-day that we will stand by these boys; that no power in the subsidized press, no power in the money changers of Wall Street, no power in the cohorts of Europe, that no combination of the powers of all of those forces shall cause us longer to mistreat and neglect the American soldier.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Utah [Mr. Smoot].

The amendment was rejected.

Mr. SMOOT. I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Utah will be stated.

The ASSISTANT SECRETARY. The amendment proposed by the Senator from Utah is in the nature of a substitute to strike out all after the enacting clause of the bill and to insert the following—

Mr. ROBINSON. I understand the Senator from Utah has stricken from the printed amendment as he now presents it Title VI, which is headed "Adjusted Compensation."

Mr. SMOOT. The amendment which I now present is not the same as the amendment which the Senator has before him. I can explain the amendment in a very few words.

Mr. ROBINSON. May I ask if there is a tax provision in the amendment which the Senator from Utah now proposes?

Mr. SMOOT. There is no such provision whatever. I have stricken that out.

Mr. UNDERWOOD. If we are to have a vote on the amendment, I should like to have it read to the Senate.

Mr. SMOOT. I also desire that the amendment shall be reported.

Mr. ROBINSON. Has the amendment been printed?

Mr. SMOOT. It has been.

Mr. ROBINSON. I have in my hand the copy of a printed amendment intended to be proposed by the Senator from Utah.

Mr. SMOOT. But the Senator has the printed copy of the other amendment.

Mr. ROBINSON. That is the amendment about which I was asking the Senator. I see that Title VI relates to an adjusted compensation tax. What I wish to know is, has Title VI of the amendment been stricken out?

Mr. SMOOT. That has been stricken out.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Utah will be stated.

The ASSISTANT SECRETARY. It is proposed to strike out all after the enacting clause of the bill and to insert:

TITLE I.—DEFINITIONS.

SECTION 1. This act may be cited as the "World War adjusted compensation act."

SEC. 2. As used in this act—

(a) The term "veteran" includes any individual, a member of the military or naval forces of the United States at any time after April 5, 1917, and before November 12, 1918, but does not include (1) any individual at any time during such period or thereafter separated from such forces under other than honorable conditions, (2) any conscientious objector who performed no military duty whatever or refused to wear the uniform, or (3) any alien at any time during such period or thereafter discharged from the military or naval forces on account of his alienage;

(b) The term "oversea service" means service on shore in Europe or Asia, exclusive of China, Japan, and the Philippine Islands; and service afloat, not on receiving ships; including in either case the period from the date of embarkation for such service to the date of disembarkation on return from such service, both dates inclusive;

(c) The term "home service" means all service not oversea service;

(d) The term "adjusted service credit" means the amount of the credit computed under the provisions of Title II; and

(e) The term "person" includes a partnership, corporation, or association, as well as an individual.

TITLE II.—ADJUSTED SERVICE CREDIT.

SEC. 201. The amount of adjusted-service credit shall be computed by allowing the following sums for each day of active service in excess of 60 days, in the military or naval forces of the United States, after April 5, 1917, and before July 1, 1919, as shown by the service or other record of the veteran: \$1.25 for each day of oversea service, and \$1 for each day of home service; but the amount of the credit of a veteran who performed no oversea service shall not exceed \$500, and the amount of the credit of a veteran who performed any oversea service shall not exceed \$625.

SEC. 202. In computing the adjusted service credit no allowance shall be made to—

(a) Any commissioned officer above the grade of captain in the Army or Marine Corps, lieutenant in the Navy, first lieutenant or first lieutenant of engineers in the Coast Guard, or passed assistant surgeon in the Public Health Service, or having the pay and allowances, if not the rank, of any officer superior in rank to any of such grades—in each case for the period of service as such;

(b) Any individual holding a permanent or provisional commission or permanent or acting warrant in any branch of the military or naval forces, or (while holding such commission or warrant) serving under a temporary commission in a higher grade—in each case for the period of service under such commission or warrant or in such higher grade after the accrual of the right to pay thereunder. This subdivision shall not apply to any noncommissioned officer.

(c) Any civilian officer or employee of any branch of the military or naval forces, contract surgeon, cadet of the United States Military Academy, midshipman, cadet of the Coast Guard, member of the Reserve Officers' Training Corps, member of the Students' Army Training Corps (except an enlisted man detailed thereto), Philippine Scout, member of the Philippine Guard, member of the Philippine Constabulary, member of the Porto Rico regiment of Infantry, member of the National Guard of Hawaii, member of the insular force of the Navy, member of the Samoan native guard and band of the Navy, or Indian scout—in each case for the period of service as such;

(d) Any individual entering the military or naval forces after November 11, 1918—for any period after such entrance;

(e) Any commissioned or warrant officer performing home service not with troops and receiving commutation of quarters or of subsistence—for the period of such service;

(f) Any member of the Public Health Service—for any period during which he was not detailed for duty with the Army or the Navy;

(g) Any individual granted a farm or industrial furlough—for the period of such furlough; or

(h) Any individual detailed for work on roads or other highway construction or repair work—for the period during which his pay was equalized to conform to the compensation paid to civilian employees in the same or like employment, pursuant to the provisions of section 9 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes," approved February 28, 1919.

SEC. 203. (a) The periods referred to in subdivision (e) of section 202 may be included in the case of any individual if and to the extent that the Secretary of War and the Secretary of the Navy jointly find that such service subjected such individual to exceptional hazard. A full statement of all action under this subdivision shall be included in the reports of the Secretary of War and the Secretary of the Navy required by section 306.

(b) In computing the credit to any veteran under this title effect shall be given to all subdivisions of section 202 which are applicable.

(c) If part of the service is overseas service and part is home service, the home service shall first be used in computing the 60 days' period referred to in section 201.

(d) For the purpose of computing the 60 days' period referred to in section 201, any period of service after April 5, 1917, and before July 1, 1919, in the military or naval forces in any capacity may be included, notwithstanding allowance of credit for such period, or a part thereof, is prohibited under the provisions of section 202, except that the periods referred to in subdivisions (b), (c), and (d) of that section shall not be included.

(e) For the purposes of section 201, in the case of members of the National Guard or of the National Guard Reserve called into service by the proclamation of the President dated July 3, 1917, the time of service between the date of call into the service as specified in such proclamation and August 5, 1917, both dates inclusive, shall be deemed to be active service in the military or naval forces of the United States.

TITLE III.—GENERAL PROVISIONS.

APPLICATION BY VETERAN.

SEC. 301. (a) The veteran shall file application for an adjusted service certificate as provided in Title IV with the Secretary of War, if he is serving in, or his last service was with, the military forces; or with the Secretary of the Navy, if he is serving in, or his last service was with, the naval forces.

(b) Such application shall be made on or before July 1, 1923, and if not made on or before such date shall be held void.

(c) An application shall be made (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making of a personal application, then by such representative of the veteran and in such manner as the Secretary of War and the Secretary of the Navy shall jointly by regulation prescribe. An application made by a representative other than one authorized by any such regulation shall be void.

(d) The Secretary of War and the Secretary of the Navy shall jointly make any regulations necessary to the efficient administration of the provisions of this section.

SEC. 302. (a) As soon as practicable after the receipt of a valid application the Secretary of War or the Secretary of the Navy, as the case may be, shall transmit to the Secretary of the Treasury a certificate setting forth—

- (1) That the applicant is a veteran;
- (2) His name and address; and
- (3) The amount of his adjusted service credit.

(b) Upon receipt of such certificate the officer to whom it is transmitted shall proceed to extend to the veteran the benefits conferred as provided for in this act.

PUBLICITY.

SEC. 303. (a) The Secretary of War and the Secretary of the Navy shall, as soon as practicable after the passage of this act, jointly prepare and publish a pamphlet or pamphlets containing a digest and explanation of the provisions of this act and shall from time to time thereafter jointly prepare and publish such additional or supplementary information as may be found necessary.

(b) The officer having charge of the administration of the adjusted service certificate plan, or part thereof, shall transmit to the Secretary of War and the Secretary of the Navy as soon as practicable after the passage of this act full information and explanations as to the matters of which such officer has charge, which shall be considered by the Secretary of War and the Secretary of the Navy in preparing the publications referred to in subdivision (a).

(c) The publications provided for in subdivision (a) shall be distributed in such manner as the Secretary of War and the Secretary of the Navy may determine to be most effective to inform veterans of their rights under this act.

STATISTICS.

SEC. 304. Immediately upon the passage of this act the Secretary of War and the Secretary of the Navy shall ascertain the individuals who are veterans as defined in section 2 and, as to each veteran, the number of days of overseas service and of home service, as defined in section 2, for which he is entitled to receive adjusted service credit; and their decisions shall not be subject to review by the General Accounting Office.

ADMINISTRATIVE REGULATIONS.

SEC. 305. Any officer charged with any function under this act shall make such regulations, not inconsistent with this act, as may be necessary to the efficient administration of such function.

REPORTS.

SEC. 306. Any officer charged with the administration of the adjusted service certificate plan under this act, or of any part thereof, shall make a full report to Congress on the first Monday of December of each year.

EXEMPTION FROM ATTACHMENT AND TAXATION.

SEC. 307. No sum payable under this act to a veteran, or to his estate, or to any beneficiary named under Title IV, and no adjusted service certificate shall be subject to attachment, levy, or seizure under any legal or equitable process, or to National or State taxation.

UNLAWFUL FEES.

SEC. 308. Any person who charges or collects, or attempts to charge or collect, either directly or indirectly, any fee or other compensation for assisting in any manner a veteran in obtaining any of the benefits or privileges to which he is entitled under the provisions of this act shall, upon conviction thereof, be subject to a fine of not more than \$500, or imprisonment for not more than one year, or both.

TITLE IV.—ADJUSTED SERVICE CERTIFICATES.

SEC. 401. The Secretary of the Treasury, upon certification from the Secretary of War or the Secretary of the Navy, as provided in section 302, is hereby directed to issue without cost to the veteran designated therein an adjusted service certificate (hereinafter in this title referred to as a "certificate") of a face value equal to the sum of (1) the adjusted service credit of the veteran increased by 25 per cent, plus (2) interest thereon for 20 years at the rate of 4½ per cent per annum, compounded annually (such amount being approximately equal to 3.015 times the adjusted service credit of the veteran). The certificate shall be dated, and all rights conferred under the provisions of this title shall take effect as of October 1, 1922. The veteran shall name the beneficiary of the certificate and may from time to time, with the approval of the Secretary of the Treasury, alter such beneficiary. The amount of the face value of the certificate (unless the certificate has been canceled as hereinafter in this title provided) shall be payable (1) to the veteran on September 30, 1942, or (2) upon the death of the veteran prior thereto, to the beneficiary named; except that if such beneficiary dies before the veteran and no new beneficiary is named, or if the beneficiary in the first instance has not yet been named, the amount of the face value of the certificate shall be paid to the estate of the veteran.

SEC. 402. A certificate or any right conferred under the provisions of this title shall not be negotiable, assignable, or serve as security for a loan. Any negotiation, assignment, or loan in violation of the provisions of this section shall be void, the certificate shall be canceled, and all rights conferred shall be extinguished.

TITLE V.—MISCELLANEOUS PROVISIONS.

SEC. 501. The officers having charge of the administration of any of the provisions of this act are authorized to appoint such officers, employees, and agents in the District of Columbia and elsewhere, and to make such expenditures for rent, furniture, office equipment, printing, binding, telegrams, telephone, law books, books of reference, stationery, motor-propelled vehicles or trucks used for official purposes, traveling expenses and per diem in lieu of subsistence at not exceeding \$4 for officers, agents, and other employees, for the purchase of reports and materials for publications, and for other contingent and miscellaneous expenses, as may be necessary efficiently to execute the purposes of this act and as may be provided for by the Congress from time to time.

With the exception of such special experts as may be found necessary for the conduct of the work, all such appointments shall be made subject to the civil service laws; but for the purposes of carrying out the provisions of section 804 such appointments may be made without regard to such laws until the services of persons duly qualified under such laws are available. In all appointments under this section preference shall, so far as practicable, be given to veterans.

SEC. 502. If any provision of this act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 503. Whoever knowingly makes any false or fraudulent statement of a material fact in any application, certificate, or document made under the provisions of Title III or IV, or of any regulation made under any such title, shall, upon conviction thereof, be fined not more than \$1,000, or imprisoned not more than five years, or both.

SEC. 504. The Secretary of the Treasury, the Secretary of War, and the Secretary of the Navy shall severally submit to Congress in the manner provided by law estimates of the amounts necessary to be expended in carrying out such provisions of this act as each is charged with administering, and there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, amounts sufficient to defray such expenditures.

Mr. SMOOT. Mr. President, whatever is granted to the veteran of the World War by the Government of the United States as a donation, a gift, or compensation in any form ought to be with a view of assisting not only the veteran himself but those that are dependent upon him; and this amendment, briefly stated, is to give to each veteran a paid-up policy, payable 20 years from the date of the policy or at his death.

The veteran pays nothing whatever. The amount of the policy depends upon the length of his service, running all the way from \$1,400 to \$2,000. During the 20 years he does not receive one cent from the Government if he lives; and if he dies, no matter what time it may be, if it is only one week after taking out the insurance, his estate receives the full face value of the insurance.

The pending bill grants the soldier small amounts, dribbled out at different times; and as the soldier receives it I say without a question of a doubt that 90 per cent of all of it will be spent within a year or two years after the final payment is made.

Every Senator knows the history of insurance received by beneficiaries, not only in this country but in all the countries of the world. The records of the insurance companies tell the story completely, the same story that has been told ever since the beginning of insurance—that 92 per cent of the insurance received by the beneficiaries of persons carrying insurance is spent within three years after the death of the insured. That, I think, can not be disputed.

I want, if I can, whatever is given to the soldier, to see that it is in an amount that will help those who are dependent upon him. If the soldier to-day, in the very vigor of life, can not make a living, with the loyalty of the people of the United States to him, willing to give him preference, and with legislation that we have passed giving him preferences—if he can not make a living to-day, when on earth will he be able to do it? If he dies within a month, his dependents get the full amount of the insurance. If he lives a year or five years or ten years, and then dies, his beneficiaries get the full amount of the insurance, and the amount of the insurance will be an amount that is worth while; and if there is ever a time when help is needed it is when the breadwinner is taken from the family.

Mr. ROBINSON. Mr. President, will the Senator yield to a question?

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. SMOOT. Yes; I yield.

Mr. ROBINSON. The mortality tables which are used by the insurance companies in ascertaining the probable life of an applicant for insurance are based upon what may be termed insurable status. Persons who have not that status are not considered in arriving at the rates to be fixed.

How would the Senator ascertain the insurance rate to be paid upon, say, 4,000,000 men of varied insurability, some of them in such physical condition that they might fairly be expected to survive only a short time, and others in a vigorous and healthy condition?

Mr. SMOOT. The amendment provides that every soldier shall have this insurance.

Mr. ROBINSON. I know that; but does the Government itself grant the insurance?

Mr. SMOOT. The Government grants the insurance, and carries the risk.

Mr. ROBINSON. And it is without regard to the insurability or the noninsurability of the soldier?

Mr. SMOOT. Absolutely; that is one thing I think ought to be, because if the soldier is not disabled to a sufficient degree to receive compensation from the Government, I think it is nothing more than right that the Government of the United

States should carry his insurance, even though the regular insurance companies would not insure the man.

Mr. ROBINSON. Of course, the plan would not be presented by the Senator from Utah unless it were contemplated that it should be made applicable to practically all veterans.

Mr. SMOOT. It is applicable to all of the veterans.

Mr. ROBINSON. It would be unthinkable that insurance should be granted to only a few individuals, and they the healthy ones, the least likely to need it.

Mr. SMOOT. They are the least likely to need it, and I want to say to the Senator that I would not think of offering such a proposition to the Senate. Every soldier is entitled to the insurance.

Mr. POMERENE. Mr. President, I was not able, because I was otherwise occupied, to follow the colloquy between the Senator from Utah and the Senator from Arkansas; but do I understand that this would be in lieu of the insurance which a great many of these men have already taken out?

Mr. SMOOT. This is compensation granted to every soldier, no matter whether he is carrying \$10,000, \$5,000, or \$1,000 of insurance, or no insurance. This is compensation for the soldiers, and they get it.

Mr. POMERENE. This is in addition to what they already carry?

Mr. SMOOT. In addition to all they are carrying.

Mr. ROBINSON. How does the Senator arrive at the amount a soldier should receive?

Mr. SMOOT. By the actuary tables used by every insurance company in the United States.

Mr. ROBINSON. But those apply to persons in normal condition exclusively, insurable persons.

Mr. SMOOT. We put them all in that class.

Mr. HITCHCOCK. Will the Senator allow one interruption?

Mr. SMOOT. Certainly.

Mr. HITCHCOCK. Has the Senator an estimate of what this will cost?

Mr. SMOOT. Yes; for each year up to 1943, when the payment will be made. To save time, as long as the Senator has asked the question, I might as well call attention to that now. I will give the figures in millions only. They are as follows:

1923	\$39,000,000
1924	39,000,000
1925	39,000,000
1926	39,000,000
1927	39,000,000
1928	39,000,000
1929	39,000,000
1930	39,000,000
1931	40,000,000
1932	40,000,000
1933	40,000,000
1934	41,000,000
1935	41,000,000
1936	42,000,000
1937	42,000,000
1938	43,000,000
1939	44,000,000
1940	45,000,000
1941	46,000,000
1942	47,000,000
1943	1,723,258,143

That is at the maturity of the 20-year period.

Mr. SIMMONS. Are all these policies for the same amount?

Mr. SMOOT. It all depends on the length of the service.

Mr. SIMMONS. In other words, you take the cash payment to which each soldier would be entitled and then you make out the paid-up insurance policy, based on a table of mortality?

Mr. SMOOT. Based on the tables of mortality used by all the insurance companies, and, as I have said, these are the results.

Now I want to call attention to the fact that there seems to be a feeling throughout the country that we have not taken care of our disabled soldiers. I hardly think that is a fair charge against Congress, because I have before me the figures showing the appropriations we have made.

Mr. SIMMONS. Before the Senator gets to that, let me ask another question. Are those policies salable?

Mr. SMOOT. No; they are not. I am glad the Senator asked me that question, because I feel that wherever insurance is given to a soldier for the full amount it is given for two purposes: First, so that his beneficiaries, in case he dies, will receive an amount which will assist them at a time when they need assistance if they ever will need it in the world. Again, there may be many soldiers who, if they live 20 years, may need the money a great deal more than they need any kind of assistance to-day. I say that we are taking care of the disabled soldiers as well as it is possible for us to do, and, as far as I am personally concerned, I will not hesitate at any kind of an appropriation to take care of them.

Up to April 1 of this year we had expended \$1,996,260,634 for the care of the wounded and disabled soldiers of the recent war.

Mr. POMERENE. Mr. President, did those figures include the appropriations for the current year?

Mr. SMOOT. No; this is up to April 1 of this year.

Mr. POMERENE. I have a statement from the Veterans' Bureau dated May 19, 1922, giving the amount disbursed as \$1,639,000,000, through the United States Veterans' Bureau and its agencies, in behalf of ex-service men and their dependents.

Mr. SMOOT. I think that was to the end of the last fiscal year. Since then we have spent enough to make up the amount I have just mentioned. This brings it up to April 1, 1922. I think that was the figure up to the end of the last fiscal year, June 30, 1921. I have the amounts for each item, and they are as follows:

Military and naval family allowance	\$298,615,000
Military and naval compensation	557,150,000
Insurance	23,000,000
Administration	83,896,880
Hospitalization	224,729,420
Hospital construction	47,095,000
Vocational training	469,123,370
Disposition of remains	33,473,782
Bonus allowance	248,684,200
Payment to beneficiaries of Army men and officers	10,495,000

Or a total of \$1,966,260,634 up to the 1st day of April, 1922.

Mr. POMERENE. The figures I have given were sent to me at my request from the Director of the United States Veterans' Bureau under date of May 19, 1922. I have not sought to verify them.

Mr. SMOOT. I suppose those were to the end of the fiscal year, as the appropriations were made at that time. These figures take in all of the expenditures and bring us up to April 1 of this year.

It may be interesting to note just what the Government has been doing for the wounded soldier. The number of former service men receiving vocational training is 108,200. The average received per month by each man of that 108,200 is \$115, and in addition the Government supplies the men with books, tools, medical care, transportation, tuition in school, and so forth.

Approximately 30,000 are now in the hospitals. The total number wounded was 208,526. The total number discharged for disability was 251,916. The Government is paying compensation on 50,420 death claims and 156,539 disability cases. Monthly payments for compensation are approximately \$10,400,000. The Government is paying insurance on 134,550 death claims and 6,299 disability claims.

The commuted value of war risk term insurance allowed by the Government is \$1,326,985,835.70.

Mr. WILLIS. Mr. President, before the Senator leaves that branch of the subject I want to ask him a further question about the negotiability or nonnegotiability of these policies. The Senator knows it is the practice of every insurance company to provide for loans on insurance policies. He also knows that those policies can be used as a basis for loans. Just why is that specifically prohibited in the Senator's amendment? That is not clear to me.

Mr. SMOOT. The reason is that I want this insurance to go to the soldier at a time when he will need it, and in an amount sufficient to assist him so that he can at least take care of himself when he is 20 years older than he is at the present time. Or I want it to go direct to his beneficiaries in case he dies before the end of 20 years. During the next 20 years the veteran will be in the prime of life. If he can make a living, it is in the next 20 years, and I say to the Senator that if there were a loan privilege granted under insurances policies, the Senator knows, just as well as I know and as we all know, that there would be loans made to them by the banks and loans made to them by the loan sharks from one end of the country to the other. No matter what rate of interest should be charged, if they wanted to get \$75 or \$100, if the value of the insurance from the date of issue to the time they wanted to make that loan was \$100, many of them would get the \$100.

I do not like the pending bill because of the very fact that they will receive the money in dribs, and I say now that, no matter what rate of interest is charged, there will be a rake-off on nearly all the soldiers before the time ever comes when they shall receive the last payment. I think Congress ought to take into consideration the history of the past, and I think the Congress ought to provide a law which will stipulate that if we give a soldier \$2,000 paid-up insurance, that shall be paid to his beneficiary if he dies in a week or a month or a year or five years. If he lives 20 years, he will be more than gratified to receive the full amount to assist him when he needs assistance most.

I think this arrangement would be better for the Government of the United States. We are loaded to the guards with taxes to-day. Our estimated income for the coming year will be only \$3,100,000,000, according to the highest estimate which can possibly be placed upon the revenues of our Government, based upon the existing revenue laws. The first estimate of expenditures submitted was for approximately \$4,000,000,000. The President has ordered that the estimates of expenditures be cut within the estimates of the revenue, and that is what General Lord is undertaking to do, and I have so much confidence in him that I know that when the report comes to Congress it will be within the \$3,100,000,000.

The PRESIDENT pro tempore. The time of the Senator has expired.

Mr. HEFLIN. Mr. President, the Senator from Utah spoke about what the Government is doing for the soldier who can not take care of himself. I have voted for every measure looking to such care of our disabled soldiers. But I want to ask the Senator from Utah, and every other Senator who opposes adjusted compensation, what he is going to do for the soldier who left a position paying him \$50 or \$100 a month or \$150 a month or \$200 a month and went overseas and was gone from that position for two years or more, and who got but \$1 a day for the service that he was rendering amidst surroundings of danger and death, and when he came home without a dollar in his pocket the job that he had was gone, and in a little while 7,000,000 men were out of employment, there was no job awaiting him, and he could find nothing to do?

I want to know what Senators are going to do for the young man who found himself in the position that I have described, and there are many thousands of them.

I am asking the Senator from Utah and others, what are you going to do for the young man who went through the horrors and hell of battle in a foreign land and who, when he reached home, said, "The job I had is in the hands of another, and now the industries of the country are closed. Deflation has destroyed business. Wall Street is buying up the Liberty bonds that my father and others bought in order to help win the war and have something laid aside for a rainy day. The bonds have been driven down in value. Wall Street got them at \$80 on the hundred. Hard times are everywhere. The war is over. I have been discharged. I no longer draw the \$30 a month. I am turned loose to drift and there is nowhere to go."

What sort of fix is he in? I will tell you what sort of fix he is in. He is in a desperate fix. He is low spirited and sick at heart. That situation has broken the morale of thousands of those brave boys, and Senators here who pursue the course of denying to them simple justice are making Bolsheviks out of the very boys who displayed on the battle fields beyond the sea the noblest type of heroic manhood that the world ever saw.

We are looking after the disabled boys, and we ought to care well for them. But I can see and appreciate that there is something that should be done for the young man who offered to die for his country and who claims that the Government owes him something. He is sound in body and mind, but he has no regular place to eat and sleep and no good clothes to wear. I think it is high time that Senators were showing some sympathy when we know that in many instances collection of old clothes have been had for soldiers whose account against the Government has not been paid. Think of that! Here is the greatest and richest Nation in all the world, with \$3,000,000,000 in gold lying idle, the currency contracted, a little more than \$14 per capita taken out of circulation in a few months' time, and we have not money enough now in circulation to answer the business needs of the people. The able-bodied soldier can find nothing to do. He has been neglected and sorely mistreated, while the big income-tax payer has been relieved, the profiteers exempt from taxation, and war contracts paid. Sharper than a serpent's tooth is the fang of ingratitude.

Mr. President, I believe as certainly as there is a just God in the heavens—and I do believe it with all my heart; I believe it as I believe in the patriotism of the American citizen, and I believe in the sturdy integrity of the great masses of our people—that they will not tolerate this subserviency to dollar aristocracy longer than the coming election.

The PRESIDENT pro tempore. The question is upon the amendment proposed by the Senator from Utah [Mr. SMOOT]. Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered and the Assistant Secretary proceeded to call the roll.

Mr. McCUMBER (when his name was called). I again transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. WARREN (when his name was called). I have a general pair with the junior Senator from North Carolina [Mr. OVERMAN].

Mr. SIMMONS. May I interrupt the Senator to say that if the junior Senator from North Carolina [Mr. OVERMAN] were present he would vote against the pending amendment? I wish also to state that he is detained on account of illness.

Mr. WARREN. I transfer the pair which I have with the junior Senator from North Carolina to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before with reference to my pair with the senior Senator from California [Mr. JOHNSON], I withhold my vote.

The roll call was concluded.

Mr. EDGE. I am unable to obtain a transfer of my pair with the senior Senator from Oklahoma [Mr. OWEN]. Not being informed how that Senator would vote on this question I am compelled to withhold my vote. If permitted to vote, I would vote "yea."

Mr. CALDER. I have a general pair with the senior Senator from Georgia [Mr. HARRIS], who is absent. Therefore I withhold my vote. If permitted to vote, I would vote "yea."

Mr. BROUSSARD. I have a general pair with the Senator from New Hampshire [Mr. MOSES]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. CURTIS. I wish to announce the following general pairs:

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES]; and

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY].

The result was announced—yeas 18, nays 46, as follows:

YEAS—18.			
Ball	Keyes	Phlipps	Warren
Borah	McLean	Smoot	Williams
Dillingham	Nelson	Swanson	Willis
France	New	Underwood	
Frelinghuysen	Newberry	Wadsworth	
NAYS—46.			
Ashurst	Hale	McNary	Shortridge
Brandegee	Heflin	Nicholson	Simmons
Broussard	Hitchcock	Oddie	Smith
Bursum	Jones, Wash.	Pepper	Sterling
Capper	Kellogg	Pittman	Sutherland
Colt	Kendrick	Pomerene	Townsend
Cummins	La Follette	Ransdell	Trammell
Curtis	Lenroot	Rawson	Walsh, Mass.
Dial	Lodge	Reed, Mo.	Walsh, Mont.
Fletcher	McCormick	Reed, Pa.	Watson, Ind.
Gerry	McCumber	Robinson	
Gooding	McKellar	Sheppard	
NOT VOTING—32.			
Calder	Fernald	Ladd	Page
Cameron	Glass	McKinley	Poinexter
Caraway	Harrell	Moses	Shields
Culberson	Harris	Myers	Spencer
du Pont	Harrison	Norbeck	Stanfield
Edge	Johnson	Norris	Stanley
Elkins	Jones, N. Mex.	Overman	Watson, Ga.
Ernst	King	Owen	Weller

So Mr. SMOOT's amendment in the nature of a substitute was rejected.

Mr. FRANCE. Mr. President, I offer the amendment to the pending bill which I send to the desk.

The PRESIDENT pro tempore. The Senator from Maryland offers an amendment, which the Secretary will state.

The READING CLERK. It is proposed to add a new title to the bill, to be known as Title X, as follows:

TITLE X.

The President of the United States is hereby authorized to create a board of 48 members, one from each of the States, all of the members of which board to be veterans of the World War, the said board to be known as the American World War-education and hospital board, of which board the President of the United States shall be ex officio chairman. The members of this board to be appointed by the President, and this board shall be authorized to receive contributions, gifts, bequests, and assignments of interests in adjusted compensation payments from veterans of the World War for the establishment of educational and hospital institutions in the United States, and the said board shall be empowered to carry out all of the provisions of this act relative to the said board.

(a) Every veteran of the World War who shall be given or entitled to receive adjusted compensation, a cash bonus, or other form of bonus, under this or subsequent acts, shall be given the privilege and option of contributing such bonus or adjusted compensation to the American World War education and hospital board.

(b) Every soldier or veteran who shall exercise his privilege and option of contributing his adjusted compensation to this board shall be called a "donor," and shall be entitled to wear a special badge which shall be given to him with an expression of the gratitude of the country for his services in the World War and his generosity as a donor, these to be issued by the authority of the Congress of the United

States, and his name shall be enrolled on a bronze tablet to be placed as a perpetual memorial in a conspicuous place in the administration building or buildings of the educational or hospital institutions established under the control of the said board in the State of the donor.

(c) The World War education and hospital board shall receive the principal of the funds donated or assigned to the said board and shall hold said principal and invest and reinvest the same, together with any unexpended increment therefrom, as a perpetual trust fund, and it shall pay over the net income thereof or therefrom for the establishment and maintenance in the several States of such educational and hospital institutions as shall in the judgment of the board be most desirable and useful for the free educational advantages for the citizens and residents of the States and for the more effective care in hospitals and sanatoria of the diseased and disabled veterans of the World War, in all of which institutions the veterans of the World War, their sons and daughters and direct descendants shall have the preference.

(d) The said board shall be authorized to determine as to the character of these institutions for the promotion of education and the public health, but wherever and whenever it shall seem advisable to do so the board shall in its discretion establish in each State institutions of learning where technical, industrial, as well as classical education shall be given free of charge to the students of the State wherein the institution or institutions are established.

(e) In the establishment of institutions by this board the State in which such institutions are to be located shall be invited to counsel with the board and to participate with the said board by the donation of ground upon which such institutions may be located, but the erection, equipment, and maintenance of these institutions shall be solely under the direction of the board. These institutions, however, may be established adjacent to or in connection with State universities already established. In the establishment of such institutions and in the distribution of funds, proper provisions shall be made for the education in suitable institutions of colored students on an equitable proportionate basis.

(f) In the allotment of the funds acquired by the board among the institutions to be established in the various States the institutions of any particular State shall receive a proportion of the total sum to be allotted by the board to all of the States which shall bear the same ratio to that total sum as the ratio of the number of enlisted men from that State to the total number of enlisted men in the Army of the United States during the World War.

(g) The American World War education and hospital board hereby created shall have the power to determine all matters of policy and to exercise all of the powers hereby and hereafter necessary to be conveyed in order that it may carry out fully the provisions of this trust hereby created and the purposes for which the said board has been formed.

Mr. FRANCE. Mr. President, I desire to say but a few words in explanation of this amendment. I believe that the veterans of the World War who are to receive adjusted compensation under this proposed act should be given the opportunity of donating the sums which shall be made available to them for the establishment of a great national memorial which will be of permanent value to the Republic and which will in its creation give them an opportunity again to express in a material way the love and devotion for their country which they exhibited when they offered to lay their lives upon the altar of their country's service.

I am persuaded that the men who made up the splendid Army of the Republic in the World War are not in any sense mercenary. I am persuaded that the vast majority of them, if given such an option as my amendment contemplates, and afforded the opportunity of contributing to such a perpetual memorial, would avail themselves of the opportunity. I understand that the total sum which will be made available under the pending bill approaches \$3,000,000,000—three thousand millions of dollars—or about \$60,000,000 for each State. It is very apparent that this is a sum perhaps in excess of the total now invested in our educational institutions. I have not checked up accurately to ascertain the sum so invested, but some years ago, in 1919, all of the public-school buildings in the United States were worth only approximately \$950,000,000. It is very evident that, if the veterans of the World War should avail themselves of the option which this title if enacted into law would give them, they would be able to make a very great contribution to our educational system.

In my opinion, this is a cause which will greatly appeal to our ex-service men. As I go out among the veterans I find that they are not in any sense mercenary; that they are not particularly anxious to have the money for the money's sake, but they do feel that there should be some substantial recognition of their services. In view of what I know of the attitude of those men, I feel that if this option were provided for in the bill a very large sum of money would come to the board proposed to be created under this title which could be used for the permanent benefit of the Republic.

Mr. President, I do not care to speak at length upon this question. I have already on a previous occasion discussed the subject of the bonus and the attitude of our veterans toward it; but I am persuaded that the men who made up our armies constitute the noblest, the most patriotic, the most devoted band of men who ever went into the armies of any country, and I am further convinced that if given this opportunity they would offer a great demonstration by their gifts of their continued devotion to the country, of their desire once more to be of service to the Nation by each one contributing money to this great cause.

Men who will offer up their lives without a question in the cause of the preservation of the Republic are men who will, when placed in a position to do so, render any further service in their power to the Republic. They are men eager to place fragrant gracious gifts upon the altar of self-sacrifice; and I believe that if this title shall be added to the bill the people of the country will be surprised at the manner in which these soldiers who have been criticized because they have asked for a further recognition of their services will respond to the opportunity.

Mr. SIMMONS. Mr. President, may I ask the Senator a question?

Mr. FRANCE. I yield.

Mr. SIMMONS. Does the Senator's proposal give the profiteers any opportunity to contribute to this benevolent fund?

Mr. FRANCE. Yes; they would have an opportunity, I believe, to contribute to the fund if they wished to do so; but personally I believe that legislative bodies, wherever they can—and I am not referring to the national legislative body—should see to it that all of those who are able to pay taxes should contribute more taxes to the general cause of education. I believe that in a general way, however, those who profited during the war at the expense of their fellow citizens are not the class upon whom we can call for generous donations of gifts. The man who profiteers during a period of war such as that through which we have been passing is not the man who will ordinarily make generous gifts to his country. That is entirely a different question; but I am saying that these men who did not profiteer, if given an opportunity to show once more by this gift their love and devotion to their country, will make the gift. I believe that. I believe it from what I know of the men, many of whom are my personal friends. I believe that it would be a wonderful demonstration, as I say, which they would give if offered this option under the bill.

These men, of course, were not profiteers during the war, nor are they profiteers now. I have explained to the Senate in a previous address my views as to how this agitation for the bonus began. It began first with the disabled and diseased men who were not being properly cared for.

The agitation was then taken up by those who were victims of the unhappy economic conditions which followed the close of the war—economic conditions which, I have said, were brought about through the failure of the Congress and of the other legislative bodies to deal with the great problems created by the war. I believe that now all of those who are not in real economic distress, and even some of those who would make this gift at great sacrifice to themselves, would be very glad to avail themselves of an opportunity to give a whole or a part of the compensation which they are to receive to their country and to the great cause of establishing these institutions at which they and their sons and daughters and direct descendants would receive special opportunities for education.

I do not wish to detain the Senate, but I should be very happy if I could have a yea-and-nay vote upon this question. I feel that all who do vote for this amendment will show their confidence in the men who made up our armies, and, moreover, their faith in the devotion of these men to any good cause which would be of permanent service to the Republic.

Mr. JONES of Washington. Mr. President, as I understand the Senator's amendment, it does not affect any part of the bill, but simply adds this provision to it.

Mr. FRANCE. It simply adds this as an option. It simply provides that any veteran of the war can, if he pleases, contribute any compensation which he receives to this World War education and hospital board, so that it may be used for the establishment of institutions in the various States.

Even if one-half of all that is received is so donated, that would be approximately a billion and a half of dollars, which is a sum probably far in excess of the total value of the public-school facilities in the United States at present, and probably far in excess of the total endowments of all of the State universities, although, as I say, I have not compiled any figures upon that point.

I have always felt that there should be some recognition in the way of a permanent memorial for the great services which these men have rendered to the country. While I do not feel that the time is opportune for the Government to establish such a memorial, I do feel that if we pass this bill it should have this optional feature in it. All of the other options in this bill are options to get; but I believe, from what I know of our men, that an option to give would be the most popular option in the bill, and I should like to test it out before the country. I believe that some of the men of the country would find, to their astonishment, that a very large proportion of the men who were willing to go to war and offer up their lives, if need be, upon the altar of their country, are now willing, no

matter what the profiteers do, to give, whatever their country may give them, to the great cause of making this a greater and a better country.

I hope the amendment will receive some serious consideration, and I hope the Senators will extend me the courtesy of a ye-a-and-nay vote upon it.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Maryland [Mr. FRANCE], upon which the yeas and nays are asked for. Is the request seconded?

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. McCUMBER (when his name was called). Transferring my pair as to the previous vote, I vote "nay."

Mr. SIMMONS (when Mr. OVERMAN's name was called). I wish to announce that my colleague [Mr. OVERMAN] if present would vote "nay."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before with regard to my pair, I withhold my vote.

The roll call was concluded.

Mr. EDGE. I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from South Dakota [Mr. NORBECK] and will vote. I vote "nay."

Mr. CALDER. I am paired with the senior Senator from Georgia [Mr. HARRIS], and therefore withhold my vote.

The result was announced—yeas 3, nays 55, as follows:

YEAS—3.

France Jones, Wash. Nicholson

NAYS—55.

Ashurst	Hale	New	Smoot
Ball	Heflin	Newberry	Starfield
Brandagee	Hitchcock	Oddie	Sterling
Cameron	Kellogg	Pepper	Sutherland
Capper	Kerdrick	Pittman	Swanson
Colt	La Follette	Pomerene	Townsend
Cummins	Lenroot	Ransdell	Trammell
Curtis	Lodge	Rawson	Underwood
Dial	McCormick	Reed, Pa.	Walsh, Mass.
Dillingham	McCumber	Robinson	Walsh, Mont.
Edge	McKelhar	Sheppard	Watson, Ind.
Fletcher	McLean	Shortridge	Williams
Frelinghuysen	McNary	Simmons	Willis
Gerry	Myers	Smith	

NOT VOTING—38.

Borah	Glass	McKinley	Reed, Mo.
Broussard	Gooding	Moses	Shields
Bursum	Harrell	Nelson	Spencer
Calder	Harris	Norbeck	Stanley
Caraway	Harrison	Norris	Wadsworth
Culberson	Johnson	Overman	Warren
du Pont	Jones, N. Mex.	Owen	Watson, Ga.
Elkins	Keyes	Page	Weller
Ernst	King	Phipps	
Fernald	Ladd	Polindexter	

So Mr. FRANCE's amendment was rejected.

Mr. CURTIS. I ask unanimous consent that when the Senate concludes its business to-day it take a recess until 11 o'clock to-morrow morning.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is ordered accordingly.

The PRESIDENT pro tempore. The bill is before the Senate as in Committee of the Whole and open to further amendment. If there be no further amendment to be proposed, the bill will be reported to the Senate.

Mr. SHORTTRIDGE. Mr. President, a parliamentary inquiry. It was my intention, and still is my intention, to address the Senate on this bill; but I do not desire to enter upon that discussion at an hour which would be inconvenient to others. If there are others who desire to address themselves to the bill briefly, I will gladly waive my present right to do so. I say that in the hearing of those some of whom perhaps may desire to address the Senate briefly, not indicating that I shall unduly prolong my remarks.

Mr. HITCHCOCK. Mr. President, a parliamentary inquiry. Has the bill been reported to the Senate yet?

The PRESIDENT pro tempore. The Senator from California interrupted the Chair at the moment the bill was passing into the Senate. In view of that interruption, it will still be considered as in Committee of the Whole.

Mr. SHORTTRIDGE. Mr. President, I hope this Nation may never incur and deserve the stigma and reproach which have all too often sullied the name of republics. I trust my country may never be justly charged with the unpardonable sin of ingratitude. Gratitude is the fairest flower that sheds its perfume in the heart of man or nation. The man who is not grateful for benefit received is lower than the beast of the field. The nation that is not grateful for sacrifices made in its behalf, for exposure to death in order that it may live, will not long retain, if it deserves, the love of its people or the respect of mankind.

The nation that is not duly grateful to him who dies for it merits the scorn of earth and the contempt of heaven.

Not by my vote shall that hideous and hateful word "ingratitude" be stamped on the white and spotless brow of my country. Not by my vote shall my country fall in her duty to the dead or to the living soldiers and sailors of this Republic. And what, Mr. President, is the nature, the character, and the extent of that duty resting on this great and rich and independent Republic?

As in the days of Washington, as in the days of Jackson, as in the days of Lincoln, as in the days of McKinley, as in every day when the independence or life of this Nation was in peril, so in the late Great War the sons of America responded to their country's call in her hour of deadly danger and fought and died on land and sea for the flag of freedom.

Out of their loyal service, out of their heroic death, springs our duty, our stern duty, which is, and should be, considered sacred. Need I remind my countrymen of that duty?

Lord God of hosts, be with us yet,
Lest we forget, lest we forget.

What, then, is that sacred duty which should and must and shall be performed?

We owe a sacred duty to the dead. We owe them the tribute of our love and tears. Their names are enrolled in the historic archives of the Nation for which they gladly died and their example will be an inspiration to the sons of the Republic so long as patriotism abides in the American heart. Wheresoever it be, in unknown foreign grave or in ocean depths, they sleep in peace and honor, brave sons of America, faithful unto death.

We owe a sacred duty to many who mourn for the loved ones gone—helpless children, feeble mothers, it may be aged fathers, bereft of parents and sons. That duty must and shall be performed. It may cost us something, but what of that?

To the living soldiers and sailors we owe a duty no less sacred, a duty that must and shall be performed.

First, we owe the most sacred, the most solemn, the sad duty to those who returned wounded in body, sick in mind, wrecks of early strength and manhood. They must be lovingly watched over, tenderly cared for, nursed back to health and hope and happiness. No amount of money, wisely, sympathetically expended, must be spared in this work. Hospitals—modern, clean, and sufficient—vocational training adapted to the needs and inclination of the soldier; as to these matters and everything which is helpful to rehabilitate the son hurt in his country's cause we must expend whatever sums are required. There must be no inattention, no indifference, no slacking, no niggardliness. There must be vigilant and sleepless performance of this duty.

And the employee of the Government charged with the performance of this work who neglects his duty, whether he be high official or obscure workman, should be instantly dismissed and promptly shot.

These duties to the dead and their dependent survivors, to the living sick and wounded, we are performing and must continue to perform. Thus and thus only can we prove that we are worthy citizens of the Republic for which they spent their strength and shed their blood. We have expended \$1,840,272,922.16 in this work and we must expend millions and billions more. Oh, the burden and the sorrow of war.

I can not believe there is an American citizen so miserly, so ungrateful, so base as to begrudge the money expended and to be expended in the carrying on of this needed and necessary service.

But, Mr. President, something more remains to be done for the soldiers and sailors of this Republic before we shall have performed our full duty to those who planted its flag on the heights of victory and eternal glory.

To those who fought the good fight and contributed to the righteous victory and providentially returned unhurt in body and mind but who suffered and suffer in loss of time and opportunity we owe a duty which we should promptly and gladly perform, and this duty we intend to perform by the enactment of this bill into law.

And, sir, in promptly and cheerfully performing that duty we honor ourselves no less than we recognize heroic and loyal service rendered.

THE WORLD WAR.

Pause for a moment, Mr. President, to recall the Great War. The earth trembled beneath the tread of mighty armies. The Old World, which should have been wiser, for wisdom accompanies age, was in arms. Statesmanship, so called, diplomacy, secret and sinister, had failed. Above fertile fields red with brothers' blood, above fragrant meadows wet with women's tears, above ruined cottages and palaces, profaned temple and

cathedral, above but within hearing of the carnage and agony of war angels hovered and cried:

Peace on earth; good will toward men.

But the roar of cannon, the shriek of shell, drowned those heavenly voices, and death smote the young and fair, the old and feeble. The fields of Europe were furrowed by war's hot plowshare. The very structure of civilization, erected by the toil and genius of centuries, trembled and tottered to its fall. At first the danger to us was remote. We stood aloof and maintained a strict neutrality. But the danger came nearer, and finally we were engulfed. We called upon the manhood of the Nation. They—these young men to reward whom this bill is designed—responded to their country's call. They came from city and village, from factory and farm, from mine and forest, from all ranks and conditions of life, from every State in the Union. We sent them forth with our blessing and our prayers.

Many of them crossed the ocean; they fought; God, how they fought; through dangers and darkness, with undaunted courage and unsurpassed devotion to duty, under great leaders they carried on; they knew no such word as retreat or failure; they welcomed death if death could contribute to victory; they carried on and on until the radiant morning of victory again blessed the undefeated flag of our country. They returned home to the land they had defended. We welcomed them with outstretched arms; we strewed flowers in their way to tread upon; reverently we thanked God that he had led them through the "valley and shadow of death" and brought them in safety home.

Mr. President, we can not pay the debt we owe—the debt of gratitude, the debt of honor, the debt a mighty nation, saved by their valor, owes to its sons. But we can try to do so; we can in part discharge our obligation, and this we can do in manner contemplated by this bill without emptying our Treasury or impairing our credit.

Mr. President, I am conscious of the hour, and am aware that the measure has been elaborately discussed by many eloquent Senators who preceded me. I have heretofore trespassed little, if at all, upon the attention of the Senate in the consideration of the measure. I feel the least embarrassment in proceeding, but I overcome that and shall ask the indulgence of the Senate if I proceed to a brief analysis of the measure before us.

But before proceeding to such analysis of the bill, and the plan for meeting its cash and other requirements, let me pause to ask its opponents, be they here or elsewhere, whether there is such a thing as a moral obligation, and whether they recognize such a thing as a moral obligation resting on a nation. Whatever their reply may be—and some of them, not here but elsewhere, seem to sneer and scoff and ridicule at such a thing as a moral obligation—the Nation recognizes that it is morally, if not legally, obligated to do justice to its loyal citizens. We have advanced—given—to loyal citizens millions and millions of dollars when there was no legal obligation whatever. In some instances it was questionable, or at any rate questioned, whether there was any moral obligation at all. For example, finding itself in sore need of essential minerals, the Nation called upon its citizens to go forth and prospect for, discover, and produce chromé, tungsten, magnesite, and pyrites. Many citizens of the West responded to the call, animated by patriotism, and perhaps, in some instances, a desire for gain. There was no legal obligation on the Nation to reimburse them. The sudden termination of the war left many of them bankrupt, others with great material loss. I repeat there was no legal obligation on the Government to reimburse them for losses suffered, to compensate them for service rendered. But what did the Government do? We promptly appropriated \$8,500,000 to relieve those citizens from financial embarrassment and loss. I take some pride in recalling that I had the honor to introduce, during the late extra session, the bill which ultimately became a law amending the former act, and making it possible for bona fide claimants to receive the amount of their net losses incurred in that enterprise of assisting the Government during the war.

We have given, Mr. President, and even now continue to give millions of dollars in the shape of bonuses to civilian employees, stenographers, clerks, and other employees of the Government. In 1918 we gave, in the shape of bonuses to those employees of the Government, over \$11,000,000; in 1919, \$16,000,000; in 1920, \$87,000,000; in 1921, \$70,000,000; and in 1922, \$34,000,000. We have appropriated over \$38,000,000 for the same purpose for the year 1923. In other words, in the shape of bonuses—call it what you will, gratuity, bonus, gift—we have appropriated and paid out, or will have paid out, \$257,919,068 to the civil employees of the Government.

The bonus or gift of \$240 per year—\$20 a month—has been given to each employee, though his or her salary mounts up to \$2,500 per annum. I would have thoughtful Senators, and those elsewhere who complain, to remember the facts which I have thus called to their attention. This bonus of \$240 a year given to civil employees, in many instances given to employees receiving as high as \$2,500 a year, is far in excess in proportion of ratio of the bonus or gift or gratuity or adjusted compensation which we contemplate giving to the soldiers and the sailors of the Republic.

I shall not develop that argument further. Senators' own minds will carry it forward, but I here and now say that if it was justifiable, if it was proper, if it was just to give those bonuses to the civil employees who perhaps went no further in the performance of their duty than from the White House to the Capitol, is it not just to recognize those who went thousands of miles from their homeland exposing life in the defense of their country?

Now let me invite attention to something else we have done. We have recognized an equitable right of citizens to reimbursement where they have suffered losses by reason of the sudden termination of contracts. We have not paused curiously to consider technical, legal rights. We have recognized broad, generous, equitable principles and rights.

I heard no sound of protest coming up from the feeble-minded editors of some of our cities, I heard no protest or whining from certain quarters who now seem to be appalled at the proposition involved in the pending bill, when we, great, generous, rich Nation, thus recognized that there is such a thing as an equitable right, an equitable principle, to be recognized by a nation as well as by civilized man.

Again, Mr. President, we have held ourselves obligated to restore to their owners the railroads taken control of by the Government as a war measure and to reimburse the owners for losses suffered and to guarantee a fixed net income for long periods. In this behalf we have given over three-quarters of a billion dollars. Just right, men say; no complaint, it being regarded not only in this instance as the recognition of the Constitution and principles there engrafted, but also a carrying out of the express or the implied promise of this Nation.

Again, Mr. President, we have felt ourselves bound to relieve the sick and feed the hungry of foreign lands and to assist the feeble governments. In so doing we have advanced or given vast sums which will never be repaid. Why did we do it? What impulse moved us? Is there anyone who criticizes it? Is there anyone who is sorry or regretful that we have done this thing? We did honor to ourselves and added new and greater glory to our own great reputation for righteousness and for a merciful disposition toward the suffering of humanity.

Mr. President, as a Nation, as the *parens patriæ*, we have on numberless occasions gone to the relief of our own people who have been overwhelmed by fire or flood.

And here and now, Mr. President, I wish to thank this Nation for its generous aid so promptly given to stricken San Francisco in the hour of her appalling disaster. Risen from her ashes, she stands again in majestic beauty, there by the Golden Gate, a living witness, a grateful witness, to the fact that this Nation never fails to respond to those finer sentiments and unselfish emotions that dignify an ennobled human race.

In many of these cases, I repeat, there was no technical legal obligation resting on the Government, but we felt and recognized a moral obligation and we discharged that moral obligation. Now I ask Senators—and my question may go out to the country—what was the obligation in any of those cases compared with the obligation we are under to the loyal soldiers and sailors of the Republic? I am not criticizing, I am not censuring anything that has been done, but I am reminding and calling upon this Nation to remember.

Mr. President, I take great pride as a humble citizen of this Republic in believing that we are a just and righteous Nation and that our benefactions have sprung out of a sense of duty toward those who served and suffered. If ever a moral obligation rested on a nation to reimburse its sons for losses suffered or to partially compensate them for invaluable services rendered, that obligation rests on this Republic. Now, let us honor ourselves by recognizing and discharging that obligation. Let us not be shamed in the face of the world by failing to do in like manner what other and less great, less rich, less powerful nations have long since done and are now doing. Contemplate what other nations have done and consider their resources and their burdens as compared with our own.

Great Britain, Canada, New Zealand, Australia, France, Belgium, each has given more to her soldiers, in proportion to resources and liabilities, than we propose to devote to our sol-

diers by this bill. The victor nations have deemed it wise and just to reward their victorious soldiers; but what of the vanquished? Germany, defeated, revolutionized, borne down by enormous debt, her overseas colonies and possessions gone, her once great merchant marine lost, stripped of productive territory—even Germany, staggering under the colossal burden she bears, has, in some measure, done the same thing toward her soldiers and sailors. Here, Mr. President, I ask that a tabulated statement showing what other nations have done in this regard may appear in the RECORD as part and parcel of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table referred to is as follows:

PAYMENTS SINCE THE WAR BY FOREIGN COUNTRIES TO THEIR VETERANS.

The following tables show the payments made by foreign countries to their veterans since the war:

Foreign bonus payments to enlisted men of World War.

Country.	Base of bonus, maximum rate.	Maximum possible.	Probable average.	Total cost.
Great Britain.	£5 plus 10s. per month's service in excess of one year; maximum 48 months.	£20 (\$101.50)	.....	£78,831,556 (\$275,910,446) to men and officers.
Canada.....	Pay and allowances they would have received if not demobilized, for from 1 to 6 months, depending on service.	\$600 (\$540)	.....	\$164,000,000 (\$147,600,000).
Australia.....	1s. 6d. per day of service.	£117 (\$409.50)	£83½	£30,000,000 (\$105,000,000); mostly paid in 5½ per cent bonds, maturing May 31, 1924.
New Zealand.	Same as Australia.	£117 (\$409.50)	£58½	£5,225,000 (\$18,290,650) to May 20, 1920.
France.....	250 francs plus 20 francs per month for services at front, between Aug. 2, 1914, and Nov. 11, 1918.	1,270 francs (\$36.25).	.....	4,964,948,670 francs (\$372,371,150); payable in monthly installments of 100 francs.
Belgium.....	75 francs per month for services at front, Aug. 1, 1914, to Nov. 11, 1918, less family allowance.	3,825 francs (less family allowance) (\$287).	.....	141,230,000 francs (\$10,592,250); in budget for 1921.
Germany.....	.....	65 marks (\$0.97)	65 marks	.....

Mr. SHORTRIDGE. Mr. President, am I now to be told that this mightiest Republic, this richest Nation on earth, can not, without going into bankruptcy, meet and discharge the requirements of this bill? With due respect for others—some of whom, not all, are in subordinate executive places, and whose duties are executive rather than legislative—I submit that the showing which has been made here demonstrates that without embarrassment, without appreciable extra burden, this Republic can finance this bill; but I hasten to add that if it did cause a little embarrassment, or if it did cause a little extra burden by way of taxation, we should favor the measure.

Let me direct your attention, Mr. President, to a contrast which I think should be borne in mind when we are considering this proposed legislation. Compare the pay of the soldier with the pay of the man who remained at home. Let us be frank; let us be truthful. The soldier's pay was little; the many who remained at home—willing to go, it may be, but who were assigned to the essential industries—received large wages, increased from time to time. Just pause to contrast the wages—if we are to lower this argument and put it upon a mercenary monetary basis—of those remaining at home and the wage, if you choose to so call it, paid to the soldier or the sailor. Of course, those who were thus engaged in home essential industries rendered service to their country, and I am not now saying that they did not render good service; but I do not wish it to be forgotten that whereas the boy from California, from my own beautiful Menlo Park, who went yonder to fight and expose his life on the battle fields of France, received a pittance, there were others engaged in certain industries who received almost as much per day as the soldier in France received per month.

Then there was another class which we should bear in mind, and who should never be forgotten, and that is the pale-faced,

pigeon-livered cowards, the slackers of this country, who evaded service when their country called. By subterfuge, by lies, by trickery, by all sorts of evasions they avoided service; and doubtless having by such means evaded service, they engaged in industry and earned much money compared to the soldier.

There was another class who remained in this country—the conscientious objector. Perhaps I tread upon dangerous ground or may offend some who think radically otherwise than I do, but I never have come to understand the condition of that man's heart or patriotism who had a conscientious objection to fighting for his country when its life was in peril; and I am very sure that there is not a God in heaven who will frown upon or punish any man who fights and dies for this blessed Republic of Washington and Lincoln; and yet there were many of these conscientious objectors who avoided the service rendered by the soldiers and sailors whom we contemplate assisting through this proposed legislation.

Then there was another type of recreant Americans, cowards all, in heart traitors all, who evaded the just and necessary selective draft act; and let us be frank and let us be truthful. Right in the Capital of the Nation there were many who were running hither and yonder and using all their little political influence to be assigned to essential-industry work, and in many instances succeeded, thereby avoiding going to war; and here they sat on their chairs looking at the clock for the hour to stop work, and I dare say they received more in one month than five or six or seven, perhaps eight, brave soldiers received, crossing the treacherous ocean, death above and death below, fighting and exposing their lives in the forefront of battle. Having by subterfuge and cunning and small, little political influence succeeded in avoiding the draft, we have given them a bonus amounting, as I have stated, to many, many millions of dollars, and they are still getting the bonus; and do I hear any complaining?

Then there were the criminals who robbed their country in its hour of mortal combat—the contractors, the high-toned thieves who took advantage of the occasion and of the opportunity to graft upon their country—their country, whose laws, from the Constitution down to the municipal ordinance, protect them in their property. There were the rich contractors or the poor and designing criminal contractors made rich by grafting upon their Government.

I name no names, but the current history of this country and the court records of this country reveal their names; and I venture to say that every one of them, without exception, is objecting to the passage of this law, or the giving of any reward in the shape of compensation, to be by this law adjusted, to the soldiers and the sailors of the Republic. Doubtless there were others here of different type of unworthiness, earning money, profiteering, taking advantage of the situation, whilst our brave sons were "over yonder" or in camp preparing to go wherever duty called them.

It must be borne in mind that those who volunteered, as well as those who entered the service through the law, in most instances left remunerative employment. From my own State of California there went into the service 135,205 young men. I think I am warranted in saying that practically every one of those young men was engaged in profitable, remunerative employment, steady employment; for the record shows that they were capable young men, sober young men, and in every way fit young men to render their country service, as they had been rendering their several employers service. Many of them, it is true, were themselves employers, well to do, employing others; but, speaking generally, they were all employed, and they left their positions to enter the service. What I say of California was, of course, true of Oregon, of Washington, of Idaho, of Colorado, of Ohio, of Massachusetts, of all the States in the Union; and I would have opponents of this measure bear that in mind when discussing this bill and proposing to adjust the compensation of the soldier and the sailor.

There is another view of this bill which I desire to present to the Senate. Stated briefly, it is this:

We drafted men and we drafted property. How have we dealt with the property we drafted? We have returned or proposed to return it unimpaired, so that the owners shall not suffer the loss of money. We drafted men, and they have returned. If it is right, if it is just and equitable, to return property drafted unimpaired in value and reimburse the owner thereof for any loss suffered, why is it not just and right and proper to reimburse the man so that he shall not have suffered materially? If just in the one case, it is just in the other; and yet I ever and again refuse to place my support of this bill

upon the purely monetary or mercenary ground; but if I am driven to that argument or asked to stand upon that ground, then once more and again I propound the question to gentlemen: If it is just and right to restore, without loss to the owner, property which was taken, drafted as a war necessity, why is it not likewise just and proper to restore the man without loss? He lost employment permanently, and he lost current income. The soldier lost his position. He lost wages. He lost opportunity. He lost his position, and in hundreds and thousands of cases the positions were lost for all time. He returned, indeed, to find his occupation gone.

Oh, how well do I remember that it was said and published that the positions would be kept open for the returning soldiers! I heard many eloquent speeches on that subject during those days. How many were kept open? Therefore there are hundreds and thousands of young men who either volunteered or who entered through the law into the service of the country who lost their positions and lost opportunity for advancement in life. I have them in mind, if others forget them. I remember them, if others close the door upon them.

Mr. President, how shall we meet the requirements of this bill? I had intended to discuss the bill somewhat in detail. I content myself now by merely propounding the question and calling upon others to answer it: What are the demands which we can not meet? What are we called upon to do? No Senator who has thus far spoken has successfully answered or refuted the masterly address of the senior Senator from North Dakota [Mr. McCUMBER]. No one has set before him the task of undertaking to answer it. There it is in the record. There is a logical, a clear analysis of this measure, and there is a clear and unrefuted statement as to how the demands upon us can be met. Let those who oppose this bill answer the Senator from North Dakota—grand, upstanding American patriot—who has stood here for nearly a quarter of a century representing his own great State, but also representing and loving this greater Republic.

Let the newspapers elsewhere, which are trying to blot or mar his national fame, answer this great American patriot. Let them undertake, even, to answer the statement which he made here, without passion, without invective, without any attempt at display, without vituperation or declamation; let these editors, whether they be walking the Champs Elysee or luxuriating in New York, answer this great American Senator before they bawl their inane sentiments out before the American people, attempting not only to discredit this measure but to discredit this patriotic citizen.

I would be but traveling over ground thoroughly covered if I undertook to analyze this measure as I had intended to do. I content myself by asking Senators to bear in mind that great and logical speech; that analysis of this bill, made, not in hostility to anyone who differed from him, but answering the objections which have here been advanced, and which perhaps have come from other quarters.

Read the report of the committee accompanying this bill. Has any one set about to answer the statements therein contained? I respectfully challenge any honored Senator who is opposed to this measure to make answer to the argument of the Senator from North Dakota [Mr. McCUMBER] or to the facts set out in the report accompanying this bill.

Mr. President, it is said that the eye of childhood fears a painted devil; but are we so timid, are we so weak and afraid of the future, as to look upon the demands of this bill with terror? We can easily pay, we can easily meet every requirement of this bill when it is intelligently administered, and we may well assume that it will be intelligently and properly administered.

Ah, but I am told, and some gentlemen remind me, that the Treasury is empty, and that our credit may be impaired to the injury of the stock market. I recognize that we owe some twenty-odd billion dollars. Uncle Sam has never yet repudiated, he never will repudiate, a legal or a moral obligation; but when we talk of liabilities and outstanding obligations, we should consider our resources, our ability to meet the demands upon us.

Among our assets are the legal obligations due us, the debts due us from foreign nations. I have heretofore expressed my views in regard to those debts and those obligations. In order that what I may say will be justified, I ask that there appear as a part of my remarks the latest statement issued by the Treasury Department showing the amounts due us severally by or from these foreign nations.

There being no objection, the matter was ordered to be printed in the Record, as follows:

Statement showing obligations of foreign Governments held by the United States (including those held by the United States Grain Corporation), interest accrued and unpaid thereon up to and including the last interest period, and interest heretofore paid.

Country.	Principal amount of obligations.	Interest accrued and unpaid up to and including the last interest period.	Total indebtedness.	Interest heretofore paid.
Armenia.....	\$11,959,917.49	\$1,677,255.88	\$13,637,173.37	.....
Austria.....	24,055,708.02	2,165,013.81	26,220,722.78	.....
Belgium.....	377,123,745.94	51,391,987.94	428,515,733.88	\$14,609,052.01
Cuba.....	7,740,500.00	.....	7,740,500.00	1,850,733.14
Czechoslovakia.....	91,887,668.65	12,797,876.74	104,685,545.39	304,178.09
Estonia.....	13,999,145.60	2,089,625.68	16,088,771.28	.....
Finland.....	8,281,926.17	1,012,436.10	9,294,362.27	.....
France.....	3,340,867,593.20	430,049,062.65	3,770,906,655.85	170,304,490.63
Great Britain.....	14,135,818,358.44	611,044,201.85	14,746,862,560.29	250,132,185.50
Greece.....	15,000,000.00	375,000.00	15,375,000.00	1,159,133.34
Hungary.....	1,685,835.61	202,300.28	1,888,135.89	.....
Italy.....	1,645,034,050.90	243,490,553.37	1,889,524,604.27	57,598,852.62
Latvia.....	5,132,287.14	643,576.87	5,775,864.01	126,268.19
Liberia.....	26,000.00	2,808.85	28,808.85	861.10
Lithuania.....	4,981,628.03	747,244.20	5,728,872.23	.....
Nicaragua.....	170,585.35	.....	170,585.35	.....
Poland.....	135,662,867.80	17,380,785.13	153,043,652.93	1,290,620.78
Rumania.....	36,128,494.94	5,288,958.85	41,417,453.79	263,313.74
Russia.....	192,601,297.37	35,019,427.03	227,620,724.40	7,717,333.43
Serbia.....	51,104,595.58	7,333,455.81	58,441,051.39	636,059.14
Total.....	10,102,252,207.13	1,422,699,662.02	11,524,951,869.15	505,002,109.71

¹ Includes \$61,000,000 of British obligations which were given for Pittman silver advances and for which an agreement for payment has been made.

Cuba pays interest as it becomes due.

No interest due on Nicaraguan notes until maturity, as is also the case with certain Belgian obligations aggregating \$2,284,151.40.

Mr. SHORTRIDGE. Mr. President, this was furnished me yesterday from the Treasury Department. I hope Senators will indulge me a moment while I invite their attention to some of these countries and the amount they severally owe the United States of America.

Let it be understood that there is no question as to the amount due us. There is no question as to the validity of our claims. There has been no question raised as to how or under what circumstances the money was loaned or advanced to these several nations. Thus Armenia owes us, speaking in round numbers, \$12,000,000. Of course, Armenia is crushed and bleeding, and may scarcely be regarded as an independent or self-acting nation. The Turks are still crushing her; but Armenia owes us \$12,000,000.

Austria owes us \$24,000,000. Belgium owes us \$377,000,000. Have we not done something for Belgium? Cuba owes us practically \$8,000,000. Czechoslovakia owes us, in round figures, \$92,000,000. Estonia owes us \$14,000,000. Finland owes us \$8,000,000. Hungary owes us \$1,700,000. Latvia owes us \$5,000,000. Liberia owes us \$26,000. Right here and now permit me to say that I favor canceling that debt of Liberia to us. Let us forgive Liberia. Nicaragua owes us \$170,000. Poland owes us \$135,000,000. Rumania owes us \$36,000,000. Russia owes us \$192,000,000. Serbia owes us \$51,000,000.

France—we did not forget Lafayette; I sometimes fear, however, that France forgets Uncle Sam—France owes us \$3,341,000,000 in principal.

England, mighty England—Great Britain—with her mighty capital, her mighty colonies, her far-extended dominions, owes us \$4,136,000,000.

The total of these principal sums is \$10,102,252,207.13. There is due us as interest \$1,422,699,662.02. There is a total indebtedness, admitted, unquestioned, of these foreign nations due us of \$11,524,951,869.15. Eleven and a half billion dollars are due us from these several nations.

We advanced that colossal sum of money to help the struggling nations of Europe. In order to do so we had to borrow that money. We had to go out to our own people and borrow. We gave our own promissory notes, our own bonds, to our own people for this money, to lend to the foreign countries. We did not seek to make money by the proceeding, nor do we ask them to pay us any more than we are required to pay our own creditors. We are obligated to pay certain sums in principal and certain sums in interest, and we propose to discharge those obligations. What I have said for many, many months, Mr. President, and what I here take the liberty of repeating, is that these foreign nations should be called upon to set about, and be called upon speedily to set about, paying us the interest due and thereafter and in manner agreed upon the principal sums due this Nation.

We have passed a law providing that each of these nations may pay us the principal in their bonds. We are not hard-

hearted or cruel or mercenary. We give them time, we offer them opportunity, and the bill which we passed authorizes the commission which we set up to accept the bonds of those nations running up to 1943; we give them until that time within which to pay the principal due us now.

I feel kindly disposed toward the nations named. In my heart, sir, in my mind, I still feel grateful for what Russia did for this Republic in other days, and what she did in the early stages of the world's Great War. So I feel not unkindly toward the Russian people, and the nation of Russia. She owes us \$192,000,000. I hasten to say that I have no firm faith, perhaps no faith at all, that those now in control of the Russian Government will recognize this debt or pay this money, and perhaps I should qualify an earlier statement by excluding Russia when I said that all these nations recognized the amounts due.

The Russian nation which contracted the debt recognizes the amount due. But all the other nations can not complain of the Senate of the United States or of our commissioners or of this Nation when we insist upon the payment of this money. I say this without passion, certainly without animosity, without any hostile feeling, for I want to have this country be at peace with all the nations of the earth. Nor am I at this moment called upon to give my advice to those nations; but when they ask for time or if they shall hedge or seek to postpone indefinitely the payment, I shall have the right to give them my advice or tell them what I think they should do concerning their own internal domestic affairs.

I have thus dwelt upon these foreign loans, Mr. President, in order that the executive department of this Government may likewise think of this great asset which is ample in and of itself to meet every requirement of the adjusted compensation bill.

I read in this morning's paper that the premier of Great Britain said that Great Britain does not contemplate delay in the payment of the interest due, that she does not contemplate for one moment a nonpayment of the principal due. There spoke a great English statesman, who thinks of England, who dreams of England, sleepless, vigilant, ever on guard for England and for England alone. It is because England has had such statesmen from the Earl of Chatham and his gifted genius son, the younger Pitt, on down through Gladstone, Disraeli, to the great Lloyd-George—it is because England has bred great statesmen who were willing to sink the world if England might float—it is because she has bred statesmen who have thought of England first and last and all the time, that England as a Government is great and powerful on this earth.

When I hear, not in this Chamber but elsewhere, men prate of internationalism and shed their insipid tears over the sorrows of other lands, forgetting the problems of their own, I could wish that they would preach another doctrine, for, Mr. President, what this Nation needs is men, upstanding men, in legislative and executive place, who will be as faithful and as vigilant and as unsleeping in the consideration of the affairs of this Republic as the soldiers and sailors were in fighting for its flag.

I am a nationalist. I believe in this Nation. I do not forget what St. Paul said in his immortal sermon on Mars Hill. If there ever was an ambassador of God on earth, it was the eloquent Saul of Tarsus. It is very true that he said God had made of one blood all races of men, but he added, "He hath set bounds to their habitations." I have always thought that he contemplated by that sentence the division of the earth into different races of different peoples. Whether that great man so desired to be understood or not, the fact is that there are nations on this earth, and we are citizens of one of those nations, and while we do not conspire or meditate against any nation on earth, while we wish every nation happiness and peace, while we will go far toward relieving every nation on earth from hunger or sickness, while we love mankind, as a Nation and as representatives of a Nation we should think first of our own problems and seek by fair, legitimate, honorable means to advance the interests of our own country.

I have no hostility of feeling toward the classic land of France. I speak in a poor way the language which Shakespeare spoke. I remember what contributions they have made to liberty and to constitutional governments. But I want France and I want Great Britain to pay us what they justly owe. If it be necessary for them to cut down their mighty armies or to reduce their mighty navies, if it be necessary for them to practice a greater economy, let them do it. I am thinking primarily of my country, though not at all in hostility to others.

Once more, and finally to take leave of these facts, I know of no reason in the world why, with the assets of \$11,000,000,000

due us from these nations, some of which are able to pay, we can not easily, without any embarrassment, without any impairment of our credit, without any panic on Wall Street or Main Street, pay all that is called for under the pending soldiers' adjusted compensation bill. I do not claim to be a great financier. I own no bank, unless it be a bank of roses. I am not much at figuring, nor was Macaulay. But the time has come to speak a little plainly. The Secretary of the Treasury is not the law-making power of this Republic. It might be well to have that fact apprehended. Certain of his assistants are not the greatest statesmen that America has bred. That is one of the executive branches of the Government. I question the propriety of attempting to argue away facts which can not be argued away.

Respectfully, but quite unafraid, I suggest that the report of the committee accompanying the pending bill and the address of the great Senator from North Dakota [Mr. McCUMBER], made in its behalf, be given consideration by any or all Secretaries. With the same degree of respect for them as for all here or elsewhere, I once more say that they can not refute the statements made or the conclusion reached by the Senator named.

It was on November 7 of last year, Mr. President, that this matter came before the Senate by way of a proposed amendment to another bill then pending. I would gladly recall what I took the liberty of then saying, but it is to be found in the record of that day. I then said that I agreed with the statement made by the Senator from North Carolina [Mr. SIMMONS] that as of that time there was \$1,000,000,000 due us from European nations, and if I had been running this Government I would as of then, if not long before, have politely, but very, if necessary, emphatically, called upon England and other of those nations to remit the amount due, or a substantial amount on account. But as of then there was a billion dollars due us in interest and as of now, Mr. President, there is, in round figures, \$1,423,000,000 due us in interest. From Great Britain there is due us \$611,000,000; from Italy there is due us \$243,000,000; from France there is due us \$430,000,000 in interest, making a total of approximately \$1,500,000,000 from those nations. Let them pay.

Mr. HEFLIN. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER (Mr. CAMERON in the chair). Does the Senator from California yield to the Senator from Alabama?

Mr. SHORTRIDGE. Certainly.

Mr. HEFLIN. That amount of money, if we could collect it now, would pay to 4,000,000 men adjusted compensation in cash of a little more than \$350 each.

Mr. SHORTRIDGE. Yes.

Mr. President, there are one or two other thoughts to which I wish to call the attention of the Senate. I listened with respect and close attention to the remarks, brief though clearly stated, by the Senator from New York [Mr. WADSWORTH], and I recall that he put the question, What, if any, good the cash payment or the other optional provisions in this bill would do the soldiers? It would do them a great deal of good in ways heretofore and by nearly every Senator clearly pointed out. The Senator from Montana [Mr. MYERS], in the course of a thoughtful and I am sure a very sincere address, spoke of the cost of the Civil War in the way of pensions. My recollection is that he said the first appropriation for pensions amounted to some \$15,000,000, and that now it was some \$315,000,000. Be it so. Does anyone begrudge that money? Does anyone think that what was achieved was not worth the sacrifice?

There is another thought, Mr. President, which I have noted and expressed again and yet again, that this was a "cheapening of patriotism"; that patriotism was not for sale and could not be purchased.

No, Mr. President. To dismiss that suggestion, there is no dishonor in our giving, if it be a gift, and there is no dishonor in accepting, even though it be a gift. If I love my son, I give to him; nor am I dishonored, nor is he; and if this Nation as the parent loves its sons and chooses to give to them, so much more the honor, so much more the glory of giver and of gift. Let us exalt patriotism by a very great national act. Let us, by showing our great love, teach our children to love, and serve, and suffer, and die for the flag, hallowed and sanctified by the blood of unnumbered dead and living soldiers, heroes who lifted and kept it where it is triumphant in the sky.

Let us not longer hesitate; let us not longer delay; let us not longer miserly consider; but let us, as becomes a great and prosperous and righteous and grateful Nation, recognize the incalculable service rendered to this Nation by its soldiers and its

sailors. Let us pass this bill, Mr. President, before to-morrow's sun shall set, and be well assured that the people of this Nation will approve our act.

Mr. President, this is not a political bill; it is not a partisan measure. I am not speaking as a Republican; but, above all party distinctions and party faith, I am standing here as an American and an American Senator. The boys of California, did they go as Republicans or as Democrats? The boys of Alabama, did they go as Democrats or Republicans? No, Mr. President, even as the mothers and the fathers, regardless of party, gave, so the boys, the young men, Americans all, patriots all, served their country as Americans; they returned as Americans; they stand as Americans, and this measure is designed to recognize and in part reward the glorious service rendered by them as Americans. Let us pass this bill as a great American measure, recognizing American valor, recognizing American heroism, and we shall have done our duty, and our country and history will applaud.

The PRESIDING OFFICER. If there is no further amendment to be proposed the bill will be reported to the Senate.

The READING CLERK. A bill to provide adjusted compensation—

Mr. LODGE. Mr. President, I desire to make a privileged motion.

MINING OF COAL AND OTHER MINERALS ON PUBLIC DOMAIN.

Mr. KENDRICK. Mr. President—

Mr. LODGE. I yield to the Senator from Wyoming.

Mr. KENDRICK. From the Committee on Public Lands and Surveys I report back favorably without amendment the bill (S. 3794) to amend section 35 of an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain, and I submit a report (No. 897) thereon.

I ask unanimous consent for the immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read as follows:

Be it enacted, etc., That section 35 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920, is amended to read as follows:

"Sec. 35. That 10 per cent of all money received from sales, bonuses, royalties, and rentals under the provisions of this act, excepting those from Alaska, shall be paid into the Treasury of the United States and credited to miscellaneous receipts; for past production 70 per cent, and for future production 52½ per cent, of the amounts derived from such bonuses, royalties, and rentals shall be paid into, reserved, and appropriated as a part of the reclamation fund created by the act of Congress known as the reclamation act, approved June 17, 1902, and for past production 20 per cent, and for future production 37½ per cent, of the amounts derived from such bonuses, royalties, and rentals shall be paid by the Secretary of the Treasury after the expiration of each quarter of the fiscal year to the State within the boundaries of which the leased lands or deposits are or were located, said moneys to be used by such State or subdivisions thereof for the construction and maintenance of public roads or for the support of public schools or other public educational institutions as the legislature of the State may direct: *Provided*, That all moneys which may accrue to the United States under the provisions of this act from lands within the naval petroleum reserves shall be deposited in the Treasury as "Miscellaneous receipts."

Mr. KENDRICK. Mr. President, I may say briefly, in explanation of the bill, that the so-called natural resources law provides for the payment to the States in which the resources are located of 37½ per cent of the royalties, such royalties to be paid at the end of each fiscal year. The bill reported by me proposes to amend the original act so as to provide in effect that the royalties shall be paid quarterly instead of annually.

Mr. SMOOT. Was the bill reported from the Public Lands Committee this morning?

Mr. KENDRICK. I have just reported it from that committee.

Mr. SMOOT. I see no objection to the passage of the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

SALT RIVER RECLAMATION PROJECT—CONFERENCE REPORT (S. DOC. NO. 245).

Mr. McNARY submitted the following report, which was ordered to lie on the table and to be printed:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10248) authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona, having met, after

full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, and 4, and from its amendment to the title of the bill.

CHAS. L. McNARY,
W. L. JONES,
MORRIS SHEPPARD,

Managers on the part of the Senate.

N. J. SINNOTT,
ADDISON T. SMITH,
CARL HAYDEN,

Managers on the part of the House.

EXECUTIVE SESSION.

Mr. LODGE. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 30 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Thursday, August 31, 1922, at 11 o'clock-a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 30 (legislative day of August 25), 1922.

PUBLIC HEALTH SERVICE.

TO BE SURGEONS.

Clarence H. Waring.
George A. Wheeler.

TO BE ASSISTANT SURGEONS.

Guy H. Faget.
William Y. Hollingsworth.
Henry A. Rasmussen.

PROMOTIONS IN THE ARMY.

George Francis Cooper to be captain, Medical Corps.
George Foreman Rixey to be chaplain, with the rank of captain.
Russell Lowell Williamson to be first lieutenant, Air Service.
John Lamont Davidson to be first lieutenant, Air Service.
Paschal Neilson Strong, Jr., to be second lieutenant, Corps of Engineers.
Gilbert Hayden to be second lieutenant, Signal Corps.
Richard Wilson Johnson to be second lieutenant, Coast Artillery Corps.
Frederick William Hein to be second lieutenant, Coast Artillery Corps.
William Beck Goddard, 3d, to be second lieutenant, Air Service.
Karl Hartman Gorman to be major, Air Service.
James Edmund Parker to be first lieutenant, Air Service.

POSTMASTERS.

CALIFORNIA.

Alfred A. True, Barstow.
Charles A. French, Brentwood.
Martha Holway, Byron.
Don C. Saunders, Lompoc.
James B. Rickard, Santa Barbara.
Wooster B. Cartmill, Tulare.

GEORGIA.

Herbert J. Knowles, Cuthbert.

MASSACHUSETTS.

Albert Holway, Bournedale.

MINNESOTA.

Nettie Layng, Bruno.
Bertha Finch, Butterfield.
Jennie L. Philipps, Clear Water.
Nels E. Nelson, Fergus Falls.
Carl J. Johnson, Hendricks.
William H. Wright, Montrose.
Edwin W. Bergman, McGrath.
Chapin A. Farnham, Rockford.
Claire M. Peterson, Stanchfield.
Charles Olson, Sturgeon Lake.
Maggie N. Halgren, Wahnkon.
Emory B. Linsley, Willow River.

MISSOURI.

William F. Clardy, Ethel.
William H. Yarnall, Exeter.

NEBRASKA.

Minnie C. Burch, Bellwood.

NEW YORK.

LeRoy Krom, High Falls.
 Mildred H. Smith, Lawrence.
 John K. Lathrop, Minnewaska.
 Scott E. Gage, Morris.
 Henry W. Koster, Narrowsburg.
 Edmund E. Westerman, Pittsford.
 Thomas L. Wright, Schoharie.
 Fred Tears, Starlake.
 Adolph Frees, Thornwood.

PENNSYLVANIA.

James S. Crawford, Freeland.

SOUTH DAKOTA.

Floyd V. Stephens, Canova.
 Philip S. Feldmeyer, Garden City.

VIRGINIA.

Denton T. Watthall, Alberta.
 Abram K. Sampson, Burkeville.
 Rankin L. Hervey, Chase City.
 Susie F. Jarratt, Jarratt.
 Robert M. Bradshaw, Rice.

WASHINGTON.

Adam G. Cook, McKenna.

WYOMING.

Hedwig C. Hurtt, Sundance.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, August 30, 1922.

The House met at 12 o'clock noon.

The Chaplain, Rev. James S. Montgomery, D. D., offered the following prayer:

Thou hast not forgotten us, our heavenly Father, and may we be prompted to gratitude, penitence, and faith. Thou dost supply us with the countless blessings that lead us to forget the pain and disappointments of life. Always encourage us in a quiet perseverance in being good, in getting good, and in doing good. Everywhere direct the citizens of our Republic, and may they know that true national prosperity and happiness spring out of nation-wide justice, cooperation, and industry. O may these virtues be given heroic pressure by the patriotic sons and daughters of our land. Give wisdom, understanding, and discretion to this assembly. Reveal and make plain unto us that nothing avails so much in our national existence as the simple verities that overflowed the teachings of the Man of Galilee. Amen.

The Journal of the proceedings of yesterday was read and approved.

COMMITTEE RESIGNATIONS AND ELECTIONS.

The SPEAKER laid before the House the following communications:

WASHINGTON, D. C., August 29, 1922.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,
 Washington, D. C.

DEAR MR. SPEAKER: I respectfully resign my chairmanship of the Committee on Alcoholic Liquor Traffic.

Very truly yours,

ADDISON T. SMITH.

WASHINGTON, D. C., August 29, 1922.

HON. FREDERICK H. GILLET,
 Speaker of the House of Representatives of the United States,
 Washington, D. C.

MY DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Post Office and Post Roads Committee of the House, the same to take effect immediately.

Sincerely,

RICHARD E. BIRD.

MR. MONDELL. Mr. Speaker, I offer the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 419.

Resolved, That ADDISON T. SMITH, Member of Congress from Idaho, be, and he is hereby, elected chairman of the Committee on Irrigation of Arid Lands, and that RICHARD E. BIRD, a Member of Congress from Kansas, be, and he is hereby, elected a member of the Committee on the Judiciary.

THE SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

FEDERAL FUEL DISTRIBUTOR.

MR. WINSLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12472) to declare a national emergency to exist in the production, transportation, and distribution of coal and other fuel, granting additional powers to the Interstate Commerce Commission, providing for the appointment of a federal fuel distributor, providing for the declaration of car service priorities in interstate commerce during the present and any succeeding emergency, and to prevent extortion in the sale of fuel.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12472, with Mr. TOWNER in the chair.

The Clerk reported the title of the bill.

MR. RAYBURN. Mr. Chairman, I trust that no one who does me the honor to listen will gain the impression from anything that I may say that I do not realize the very serious situation with which we are now confronted. In my opinion, I am bold to assert here that I believe that at this time we stand in the most tragic hour of our country's history when it has not been engaged in war. We stand to-day in the backwash of the greatest war in our history, when hopes, aspirations, and ambitions were thwarted, and when the currents of lives were turned. We are nearly four years from the armistice, and yet we are living in the day of hysteria. We are to-day legislating with a recklessness that would only be justified by the supremest emergency that could come to any country, and that is when it is at war.

I shall not support this bill. I have, therefore, intruded myself upon your patience in order that I might state some of the reasons why. This legislation is based, its proponents say, solely upon a great emergency. They admit that if this emergency were not great they would not perhaps support the legislation. Many men appeared before the committee in the five short hours we had for hearing and testified as to this bill. Their testimony was remarkable in many ways. Some of the proponents of the bill tried in the committee to get some of the capable witnesses to agree that some part of this emergency rests upon the proposition that the Government of the United States would not have coal if the legislation were not passed, and these extreme and extraordinary powers were not granted. The expert witness whom the proponents of the bill brought before the committee was Mr. Aitchison, of the Interstate Commerce Commission. In answer to a direct question Mr. Aitchison said that every department of this Government was now supplied with coal and would be supplied with coal even though no legislation of this sort was passed. Therefore we can not base this legislation upon an emergency that the Government itself will not function if it is not passed.

I do not know what is coming next, my friends. A few days ago in committee the leaders of legislation looking in this direction asserted with some show of confidence that the resolution that we had the other day to appoint a fact-finding commission would be the only legislation that we would be called upon to enact. We had hardly enacted that bill until this legislation, conferring the most unheard-of powers upon any executive in the Government, came along. Then it was stated that an interview which was given from the steps of the White House by a distinguished member of another body was unjustified, and that nothing would come from the White House in the way of recommendation to take over and operate the coal mines and the railroads. Yet only yesterday there comes a statement purporting to be from the fountainhead, from the White House, that says that before we adjourn, with no war clouds upon the horizon, with nothing threatening the country, the President of the United States is going to ask the Congress of the United States to give him the power, if in his discretion he desires to use it, of taking over and operating coal mines and any or all of the railroads. I speak only for myself to-day. I speak as an individual Member of this House, and I want to say it matters not with me what interviews may be published in the Washington Post, which is the organ of this administration, from men who have in the past been high in the councils of the Democratic Party, who have been nominated to be its standard bearer in the past—I want to say as one member of the party, even in this moment of hysteria, in this moment when men have forgotten the doctrines of the past and the fundamentals upon which this Government was founded, I do not expect to be swept off my feet even at their suggestion and pushed into a mass of socialistic legislation which I believe will destroy this representative Government in the future. [Applause.]